



November 15, 2013

Water Sustainability Act
Ministry of Environment
Water Protection and Sustainability Branch
PO Box 9362 Stn Prov Gov
Victoria BC V8W 9M2

Sent via e-mail: livingwatersmart@gov.bc.ca

Re: Feedback on A Water Sustainability Act for B.C. Legislative Proposal

Dear Sir or Madam:

Thank you for the opportunity to provide feedback on the British Columbia Ministry of Environment's proposal for a Water Sustainability Act (WSA). Encana supports the initiative to replace the existing *Water Act* with the *Water Sustainability Act*, which will provide a modernized water management framework for the province. While supportive of the majority of the content proposed in the WSA Legislative Proposal, Encana has identified two key areas of concern: the proposed saline groundwater definition and the revised fee schedule for water users / renters. Recommendations and an outline of the concerns related to these two key areas are provided below.

Proposed Saline Groundwater Definition

Recommendation: Encana recommends that groundwater be differentiated based on usability, where general guidance for usable groundwater thresholds would be depths less than 300 metres and total dissolved solids (TDS) concentrations consistent with Canadian water quality standards for water usage.

Encana is supportive of differentiation of groundwater resources and the protection of usable groundwater. However, there is concern that the proposed definition of "deep saline groundwater" sets an unwarranted precedent that would impact access to alternative water sources and results in further unintentional regulatory consequences. Key issues with the current proposal are as follows:

- does not align with existing Canadian water quality standards for useable groundwater and links the definition to a depth far beyond existing domestic and agricultural usage;
- unintentionally discourages oil and gas industry use of otherwise unusable groundwater that already has inherent costs associated with extraction, transportation, storage and treatment; as an example, in the Montney area the Cadotte Member is a potential deep groundwater source (depth of ~900 to 1,000 metres and TDS ranging from 2,500 to 4,000 mg/L) and would be unusable groundwater for domestic or agricultural use, but does not meet the proposed exemption criteria.

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- has the potential to create a negative public perception around the use of alternative water sources that are otherwise non-useable; and,
- would set precedent that impacts other regulatory requirements, including extending the required surface casing depth as set out in the *Drilling and Production Regulation* under the *Oil and Gas Activities Act*.

As per the WSA proposal, unusable groundwater should be exempt from the requirement to obtain a water license or short term use approval; however, the exemption should be defined by setting depth thresholds and salinity levels based on existing Canadian water quality standards for domestic and agricultural purposes. Differentiating groundwater on the appropriate definition of usability will provide statutory decision-makers with the discretion to consider regional needs in both the protection of usable groundwater and the use of water.

Revised Fee Schedule for Water Users / Renters

Recommendation: Encana recommends that fee revisions reflect the current pricing structure for relative costs, i.e. maintain the current ratio for consumptive versus non-consumptive use.

Encana supports a fee revision that reflects increased administrative costs for application processing and is equitable across sectors with similar impact of water use (consumptive / non-consumptive). However, there is concern with the lack of detail regarding the proposed revisions to user / rental costs and the impact to operations these associated costs may have. In order to assess the full impact of a revised fee schedule that would be applicable to surface and groundwater use, these details would need to be provided and stakeholder engagement on development of a revised pricing schedule is requested.

Encana has been working closely with CAPP to identify additional industry wide areas of support and concern. Encana is supportive of the positions CAPP has taken on the seven "Key Areas", as outlined in the CAPP feedback letter on the WSA Legislative Proposal.

We again thank you for the opportunity to provide feedback and participate in British Columbia's vision for sustainable water stewardship.

Sincerely,

A handwritten signature in black ink, appearing to read "Nedra Monaghan", with a long, sweeping horizontal line extending to the right.

Nedra Monaghan, on behalf of:
Richard Dunn
VP, Regulatory & Government Relations
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