



April 8, 2014

The Hon. Mary Polak
Minister of Environment
PO Box 9362 Stn Prov Go
Victoria BC V8W 9M2
Via e-mail: mary.polak.mla@leg.bc.ca

Dear Minister Polak:

Re: *Water Sustainability Act: Pricing B.C.'s Water*

In light of your request for comments on the principles to inform water pricing as articulated in the *Water Sustainability Act* Legislative Proposal (October 2013), outlined below are our comments for your consideration.

As British Columbia's largest diversified resource company with more than 7,000 of our employees based in this province, we support the work of government to achieve management of our water resources in a manner that balances environmental, social, economic, and cultural values.

With the understanding that pricing water is a complex undertaking, below are our comments on the principles informing the development of options for water fees and rentals in British Columbia:

1. Simplicity

In principle we agree that the approach and rationale for water pricing should be straightforward to achieve predictability and transparency. That said, we recommend that the desire for simplicity does not negate consideration of options including a phase-in period that may encourage reduction of water consumption and that would allow a reasonable time for users to collect consumption information.

2. Fairness and equity

We recommend pricing based on actual use rather than solely on intended use. Thoughtful definition of water use would achieve equitable application of fees so that costs are attributed to actual consumption. This would provide flexibility of costing for water reserved for emergency response for example and would ensure that water conservation efforts are appropriately recognized.

3. Implications for water users

We are encouraged that a key principle informing pricing is distribution of cost to enable continued business competitiveness for industries throughout British Columbia.

4. Cost recovery and efficiency

We are supportive of a pricing regime that provides revenues for monitoring and research to inform sustainable water management and agree with a pricing regime designed to encourage water conservation. We recommend consideration of incentives in the pricing regime to motivate industry and other users to adopt best practices in water management and use.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact me at 604.699.4616.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Marcia Smith', is written over a horizontal line.

Marcia Smith
Senior Vice President, Sustainability and External Affairs