

BY E-MAIL ONLY

July 5, 2017

**COLD LAKE FIRST NATIONS**

Darren Frederick, Consultation Director

**RE: IMPERIAL OIL RESOURCES LTD. (Imperial)  
WATER ACT APPLICATION NO. 00079923-007 AND 00148301-008  
STATEMENT OF CONCERN NO. 30390**

Dear Darren Frederick:

You are receiving this letter because you filed a statement of concern about Applications No. 00079923-007 AND 00148301-008. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the application, the applicable requirements, and other submissions or information about the application. The AER has decided that a hearing is not required under an enactment, or necessary, to consider the concerns outlined in your statement of concern.

In its review of your concerns, the AER considered the following:

- Pursuant to section 60 of the *Water Act*, the AER may only decide **not** to issue a licence if any of the circumstances in 60(3) apply. These renewal provisions provide the AER the opportunity to review the licence to ensure that the licensee has been operating within the terms and conditions of the licence. None of the section 60(3) factors apply in this instance.
- The *Water Act* renewal applications are within the previous approved project boundary with no changes to the existing Cold Lake Operation (CLO) facilities and infrastructure.
- Cold Lake First Nation (CLFN) requested that the water allocation should be reduced to reflect the current use by Imperial and the AER notes the renewal applications are requesting **reduced** surface water allocation from the Cold Lake and the same allocation from the groundwater source wells.

- Imperial Oil Resources Limited (Imperial) has proposed a 20% reduction in surface water allocation from Cold Lake. This is a reduction of 1,022,000 m<sup>3</sup>; from current water allocation of 5,110,000 m<sup>3</sup>/year (or a daily equivalent of 14,000 m<sup>3</sup>) to 4,088,000 m<sup>3</sup>/year (or a daily equivalent of 11,200 m<sup>3</sup>).
- CLFN has raised some water quality related concerns and requested additional monitoring initiatives for the region. Concerns were also raised with respect to municipal development in the area. These are out of scope for the water licence renewal and within the jurisdiction of the Alberta government, local governments, regional water strategy and local Watershed Planning and Advisory Councils (WPACs) or Government of Canada's Environment & Climate Change Canada.
- The concerns raised with respect to ongoing and cumulative effects, water quality, and water quantity are either addressed by the Government of Alberta's regulatory frameworks (Lower Athabasca Region Plan) and associated policies including the Surface Water Quantity Management Framework for the Lower Athabasca River. The Surface Water Quantity Management Framework is designed to accommodate industrial withdrawals in a manner that does not adversely affect ecological and human needs, and specifically contemplates First Nation uses. The Government of Alberta's frameworks are outside the scope of authority of the AER, and the AER notes that CLFN provided a copy of its concerns to the government.

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Based on the above, it has not been demonstrated that the CLFN may be directly and adversely affected by approval of the application.

The AER has issued the applied-for approval licence renewal, and this is your notice of that decision. Copies of the Water Act licence are attached. Thank you for your involvement in the regulatory process, and for bringing these issues and concerns to the AER.

If you have any questions, contact \_\_\_\_\_ .

Sincerely,

<original signed by>

Andrew MacPherson,  
Director, Authorizations

Attachment: (2) Licences

cc: Imperial Oil Ltd.,  
Sarah Chileen, Consultation Manager,  
Keltie Lambert, Witten LLP,

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