Canada Energy Regulator Fees Report Fiscal year 2022–23

The Honourable Jonathan Wilkinson, P.C., M.P. Minister of Energy and Natural Resources

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# CEO's message

I am pleased to present the Canada Energy Regulator's report on fees for 2022–23.

The Service Fees Act provides a modern legislative framework that enables cost-effective

delivery of services and, through better reporting to Parliament, improves transparency and oversight.

The *Service Fees Act* does not apply to fees, levies or charges established under authority of the *Canadian Energy Regulator Act*. Nevertheless, these fees along with fees



established under the Canada Oil and Gas Operations Act are included in this report.

This year's report continues to provide detail on each fee, such as the type and rate of adjustment, the service standard, and the performance result. This information provides context on each fee, in the spirit of open and transparent fee management.

I welcome the opportunity to provide transparent and up-to-date information to Canadians on the Canada Energy Regulator's fee structure.

Tracy Sletto Chief Executive Officer Canada Energy Regulator

# About this report

This report, which is tabled under section 20 of the *Service Fees Act*<sup>ii</sup>, the *Low-Materiality Fees Regulations*<sup>iii</sup>, and subsection 4.2.8 of the Treasury Board *Directive on Charging and Special Financial Authorities*<sup>iv</sup>, contains information about the fees that the Canada Energy Regulator had the authority to set in fiscal year 2022–23.

The report covers fees that are subject to the *Service Fees Act* and exempted from the *Service Fees Act*.

For reporting purposes, fees are categorized by fee-setting mechanism. There are three mechanisms:

- Act, regulation or fees notice
   The authority to set these fees is delegated to a department, minister or Governor in
   Council pursuant to an act of Parliament.
- 2. Contract

Ministers have the inherent authority to enter into contracts, which are usually negotiated between the minister and an individual or organization, and which cover fees and other terms and conditions. In some cases, that authority may also be provided by an act of Parliament.

3. Market rate or auction

The authority to set these fees is pursuant to an act of Parliament or a regulation, and the minister, department or Governor in Council has no control over the fee amount.

For fees set by act, regulation or fees notice, the report provides totals for fee groupings, as well as detailed information for each fee. The Canada Energy Regulator did not have fees set contract, market rate or auction.

Although the fees that the Canada Energy Regulator charges under the *Access to Information Act* were subject to the *Service Fees Act*, they are not included in this report. Information on the Canada Energy Regulator's access to information fees for 2022–23 is in our annual report to Parliament on the administration of the *Access to Information Act: CER's Publications and Reports Page*<sup>v</sup>.

# Remissions

In 2022–23, the Canada Energy Regulator was not subject to the requirements in section 7 of the *Service Fees Act* and had no authority to remit, so this report does not include remission amounts.

# Overall totals, by fee-setting mechanism

The following table presents the total revenue, cost and remissions for all fees that the Canada Energy Regulator had the authority to set in 2022–23, by fee-setting mechanism.

#### Overall totals for 2022–23, by fee-setting mechanism

Fee-setting mechanism	Revenue (\$)	Cost (\$)	Remissions (\$)
Fees set by act, regulation or fees notice	129,229,306	131,032,419	These fees were not subject to remissions.

# Totals, by fee grouping, for fees set by act, regulation or fees notice

A fee grouping is a set of fees relating to a single business line, directorate or program that a department had the authority to set for those activities.

This section presents, for each fee grouping, the total revenue, cost and remissions for all fees the Canada Energy Regulator had the authority to set in 2022–23 that are set by the following:

- act
- regulation

#### Regulatory fees: totals for 2022–23

Revenue (\$)	Cost (\$)	Remissions (\$)
129,229,131	130,954,749	These fees were not subject to remissions.

#### License fees: totals for 2022–23

Revenue (\$)	Cost (\$)	Remissions (\$)	
175	77,670	These fees were not subject to remissions.	

# Details on each fee set by act, regulation or fees notice

This section provides detailed information on each fee that Canada Energy Regulator had the authority to set in 2022–23 and that was set by the following:

- act
- regulation

# Fee grouping

Regulatory fees

# Fee

Each large oil pipeline company shall, every year, pay to the Board a cost recovery charge calculated in the manner set out in subsection 14(1).

# **Fee-setting authority**

*Canadian Energy Regulator Act<sup>vi</sup>*, section 87(1)

National Energy Board Cost Recovery Regulations<sup>vii</sup>, section 14(1)

#### Year fee-setting authority was introduced

1991

#### Last year fee-setting authority was amended

2019

#### Service standard

1. Issue preliminary estimated billing notices by September 30.

2. Issue final estimated billing notices for the upcoming year by December 31.

3. Issue quarterly invoices to large oil companies.

# **Performance result**

All three service standards were met at 100%:

1. 14 Preliminary estimated billing notices were sent by September 30, 2022 to large oil companies.

- 2. 14 Final Estimated billing notices were sent by December 31, 2022 to large oil companies.
- 3. Issued 56 invoices during the fiscal year 2022-23.

#### **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14

#### 2022–23 total fee revenue (\$)

65,076,011

#### 2022-23 total remissions issued for the fee (\$)

This fee was not subject to remissions.

#### Fee adjustment date in 2024–25

December 31, 2024

#### 2024–25 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14.

Regulatory fees

Fee

Each large gas pipeline company shall, every year, pay to the Board a cost recovery charge calculated in the manner set out in subsection 14(2).

#### **Fee-setting authority**

Canadian Energy Regulator Act vi, section 87(1)

*National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14(2)

#### Year fee-setting authority was introduced

1991

#### Last year fee-setting authority was amended

2019

#### Service standard

- 1. Issue preliminary estimated billing notices by September 30.
- 2. Issue final estimated billing notices for the upcoming year by December 31.
- 3. Issue quarterly invoices to large gas companies.

# **Performance result**

All three service standards were met at 100%:

1. Nine Preliminary estimated billing notices were sent by September 30, 2022 to large gas companies.

2. Nine Final Estimated billing notices were sent by December 31, 2022 to large gas companies.

3. Issued 39 invoices during the fiscal year 2022-23.

#### **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14.

#### 2022–23 total fee revenue (\$)

57,327,833

#### 2022-23 total remissions issued for the fee (\$)

This fee was not subject to remissions.

#### Fee adjustment date in 2024–25

December 31, 2024

#### 2024–25 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14.

Regulatory fees

Fee

Each large power line company shall, every year, pay to the Board a cost recovery charge calculated in the manner set out in subsection 14(3).

#### **Fee-setting authority**

Canadian Energy Regulator Act vi, section 87(1)

*National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14(3)

#### Year fee-setting authority was introduced

1991

#### Last year fee-setting authority was amended

2019

#### Service standard

- 1. Issue preliminary estimated billing notices by September 30.
- 2. Issue final estimated billing notices for the upcoming year by December 31.
- 3. Issue quarterly invoices to large power line companies.

#### **Performance result**

All three service standards were met at 100%:

- 1. 10 Preliminary estimated billing notices were sent by September 30, 2022.
- 2. 10 Final Estimated billing notices were sent by December 31, 2022.
- 3. Issued 40 invoices during the fiscal year 2022-23.

#### **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14.

#### 2022–23 total fee revenue (\$)

6,581,029

#### 2022-23 total remissions issued for the fee (\$)

This fee was not subject to remissions.

#### Fee adjustment date in 2024–25

December 31, 2024

#### 2024–25 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>*vii*</sup>, section 14.

License Fee

# Fee

Fee charged for the issuance of operating licenses under the *Canada Oil and Gas Operations Act* <sup>viii</sup> (COGO Act).

# **Fee-setting authority**

Canada Oil and Gas Operations Actviii, section 4.2

Canada Oil and Gas Operations Regulations<sup>ix</sup>, section 3(2)(d)

# Year fee-setting authority was introduced

1985

# Last year fee-setting authority was amended

2020

#### Service standard

Issue annual Operating License to companies applying for them within 30 days of the receipt of their complete application and fee payment.

#### **Performance result**

The service standard was met at 100%. Issued seven Operating Licenses to companies within 30 days of the receipt of complete applications and fee payment.

# **Application of Low-Materiality Fees Regulations**

Low-materiality (<\$51)

#### 2022-23 fee amount (\$)

25

2022-23 total fee revenue (\$)

# 2022-23 total remissions issued for the fee (\$)

This fee was not subject to remissions.

# Fee adjustment date in 2024–25

Not applicable

# 2024-25 fee amount (\$)

Regulatory fees

Fee

Any company that obtains an exemption order under section 58 of the Act in respect of, or a certificate authorizing, the construction of a pipeline shall pay to the Board a levy equal to 0.2% of the estimated cost of construction of the pipeline, as estimated by the Board in its decision issuing the certificate or making the order.

# **Fee-setting authority**

Canadian Energy Regulator Act vi, section 87(1)

National Energy Board Cost Recovery Regulations vii, section 5.2 (1)

# Year fee-setting authority was introduced

1991

#### Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice within 90 days .

#### **Performance result**

There was no invoice issued, as the conditions under which this fee is levied did not arise in 2022-23.

#### **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14.

#### 2022–23 total fee revenue (\$)

#### 0

#### 2022-23 total remissions issued for the fee (\$)

This fee was not subject to remissions.

#### Fee adjustment date in 2024–25

Not applicable

# 2024-25 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>vii</sup> section 14.

Regulatory fees

# Fee

A company that obtains a permit or certificate under Part III.1 of the Act that authorizes the construction of an international or interprovincial power line shall pay to the Board a levy equal to 0.2% of the estimated cost of construction of the power line, as estimated by the Board in its decision to issue the permit or certificate.

# **Fee-setting authority**

Canadian Energy Regulator Act vi, section 87(1)

National Energy Board Cost Recovery Regulations vii, section 5.3 (1)

# Year fee-setting authority was introduced

1991

#### Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice within 90 days .

#### **Performance result**

There was no invoice issued, as the conditions under which this fee is levied did not arise in 2022-23.

#### **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>vii</sup>, section 14.

#### 2022–23 total fee revenue (\$)

# 0

#### 2022-23 total remissions issued for the fee (\$)

This fee was not subject to remissions.

#### Fee adjustment date in 2024–25

Not applicable

# 2024-25 fee amount (\$)

Fees are based on formulas that can be found at the following website: *National Energy Board Cost Recovery Regulations* <sup>*vii*</sup>, section 14.

Regulatory fees

# Fee

Each small oil pipeline company shall, every year, pay to the Board an administration levy of \$500.

# **Fee-setting authority**

Canadian Energy Regulator Act vi, section 87(1)

National Energy Board Cost Recovery Regulations vii, section 5.1(2)

# Year fee-setting authority was introduced

1991

# Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice on June 30 every year.

#### **Performance result**

The service standard was met at 100%. Issued 12 invoices on June 30, 2022.

# **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

511

#### 2022-23 total fee revenue (\$)

6,132

# Fee adjustment date in 2024–25

Not applicable

# 2024-25 fee amount (\$)

Regulatory fees

# Fee

Each small gas pipeline company shall, every year, pay to the Board an administration levy of \$500.

# **Fee-setting authority**

Canadian Energy Regulator Act vi , section 87(1)

National Energy Board Cost Recovery Regulations vii, section 5.1(2)

# Year fee-setting authority was introduced

1991

# Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice on June 30 every year.

#### **Performance result**

The service standard was met at 100%. Issued 47 invoices on June 30, 2022.

# **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

511

#### 2022-23 total fee revenue (\$)

24,017

# Fee adjustment date in 2024–25

Not applicable

# 2024-25 fee amount (\$)

Regulatory fees

# Fee

Each small commodity pipeline company shall, every year, pay to the Board an administration levy of \$500.

# **Fee-setting authority**

Canadian Energy Regulator Act vi , section 87(1)

National Energy Board Cost Recovery Regulations vii , section 5.1(2)

# Year fee-setting authority was introduced

1991

# Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice on June 30 every year.

#### **Performance result**

The service standard was met at 100%. Issued 11 invoices on June 30, 2022.

# **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

511

#### 2022-23 total fee revenue (\$)

5,621

# Fee adjustment date in 2024–25

Not applicable

# 2024-25 fee amount (\$)

Regulatory fees

# Fee

Each small power line company shall, every year, pay to the Board an administration levy of \$500.

# **Fee-setting authority**

Canadian Energy Regulator Act vi , section 87(1)

National Energy Board Cost Recovery Regulations vii , section 5.1(2)

# Year fee-setting authority was introduced

1991

# Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice on June 30 every year.

#### **Performance result**

The service standard was met at 100%. Issued 8 invoices on June 30, 2022.

# **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

511

#### 2022-23 total fee revenue (\$)

4,088

# Fee adjustment date in 2024–25

Not applicable

# 2024-25 fee amount (\$)

Regulatory fees

# Fee

Each intermediate oil pipeline company shall, every year, pay to the Board an administration levy of \$10,000.

# Fee-setting authority

Canadian Energy Regulator Act vi , section 87(1)

National Energy Board Cost Recovery Regulations vii , section 5.1(1)

# Year fee-setting authority was introduced

1991

# Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice on June 30 every year.

#### **Performance result**

The service standard was met at 100%. Issued 7 invoices on June 30, 2022.

# **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

10,220

# 2022–23 total fee revenue (\$)

71,540

# Fee adjustment date in 2024–25

Not applicable

# 2024–25 fee amount (\$)

10,220

Regulatory fees

# Fee

Each intermediate gas pipeline company shall, every year, pay to the Board an administration levy of \$10,000.

# Fee-setting authority

Canadian Energy Regulator Act vi , section 87(1)

National Energy Board Cost Recovery Regulations vii , section 5.1(1)

# Year fee-setting authority was introduced

1991

# Last year fee-setting authority was amended

2019

# Service standard

Issue an invoice on June 30 every year.

# **Performance result**

The service standard was met at 100%. Issued 11 invoices on June 30, 2022.

# **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

10,220

# 2022–23 total fee revenue (\$)

112,420

# Fee adjustment date in 2024–25

Not applicable

# 2024–25 fee amount (\$)

10,220

Regulatory fees

Fee

Each intermediate commodity pipeline company shall, every year, pay to the Board an administration levy of \$10,000.

# Fee-setting authority

*Canadian Energy Regulator Act*<sup>vi</sup>, section 87(1)

National Energy Board Cost Recovery Regulations vii , section 5.1(1)

#### Year fee-setting authority was introduced

1991

#### Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice on June 30 every year.

#### **Performance result**

The service standard was met at 100%. Issued 2 invoices on June 30, 2022.

#### **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022–23 fee amount (\$)

10,220

#### 2022-23 total fee revenue (\$)

20,440

# Fee adjustment date in 2024–25

Not applicable

# 2024–25 fee amount (\$)

10,220

Regulatory fees

# Fee

Each large commodity pipeline company shall, every year, pay to the Board an administration levy of \$50,000.

# Fee-setting authority

Canadian Energy Regulator Act vi, section 87(1)

National Energy Board Cost Recovery Regulations vii, section 4(4)

#### Year fee-setting authority was introduced

1991

#### Last year fee-setting authority was amended

2019

#### Service standard

Issue an invoice on June 30 every year.

#### **Performance result**

There was no invoice issued, as the conditions under which this fee is levied did not arise in 2022-23.

#### **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022-23 fee amount (\$)

51,100

#### 2022-23 total fee revenue (\$)

0

# Fee adjustment date in 2024–25

Not applicable

# 2024–25 fee amount (\$)

51,100

Regulatory fees

# Fee

An administration levy of \$500 for the issuance of a certificate or the making of an exemption order authorizing the construction or operation of a border accommodation pipeline or a border accommodation commodity pipeline is payable to the Board by the authorized company.

# **Fee-setting authority**

Canadian Energy Regulator Act vi, section 87(1)

National Energy Board Cost Recovery Regulations vii, section 5.1(4)

# Year fee-setting authority was introduced

1991

# Last year fee-setting authority was amended

2019

# Service standard

Issue an invoice on June 30 every year.

#### **Performance result**

There was no invoice issued, as the conditions under which this fee is levied did not arise in 2022-23.

# **Application of Low-Materiality Fees Regulations**

Not subject to SFA

#### 2022-23 fee amount (\$)

511

2022-23 total fee revenue (\$)

# 2022-23 total remissions issued for the fee (\$)

This fee was not subject to remissions.

# Fee adjustment date in 2024–25

Not applicable

# 2024–25 fee amount (\$)

# Endnotes

- <sup>i</sup> The Government of Canada website, https://www.canada.ca
- <sup>ii</sup> Service Fees Act, https://laws-lois.justice.gc.ca/eng/acts/S-8.4/FullText.html
- <sup>iii</sup> Low Materiality Fees Regulations, https://laws-lois.justice.gc.ca/eng/regulations/SOR-2019-109/index.html
- <sup>iv</sup> Directive on Charging and Special Financial Authorities, https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32502
- <sup>v</sup> CER's Publications and Reports Page, http://www.cer-rec.gc.ca/en/about/publications-reports/annual-reports-access-information-act-privacy-act/index.html
- vi Canadian Energy Regulator Act, Canadian Energy Regulator Act (justice.gc.ca)
- <sup>vii</sup> National Energy Board Cost Recovery Regulations, National Energy Board Cost Recovery Regulations (justice.gc.ca)
- viii Canada Oil and Gas Operations Act, https://laws-lois.justice.gc.ca/eng/acts/o-7/
- ix Canada Oil and Gas Operations Regulations, https://laws-lois.justice.gc.ca/eng/regulations/SOR-83-149/