

Canada Energy Regulator

Fees Report

Fiscal year 2020–21

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

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Message from the CEO

On behalf of the Canada Energy Regulator (CER), I am pleased to present our report on fees for 2020-21.

The *Service Fees Act* (SFA) provides a modern legislative framework that enables cost-effective delivery of services and, through better reporting to Parliament, improves transparency and oversight.

The *Canadian Energy Regulator Act* (CER Act) has an explicit legislative exemption from the SFA. Pursuant to the Interpretation Act, the National Energy Board Cost Recovery Regulations remain in effect for the CER until new costrecovery regulations are made under the CER Act. Launched in the summer of 2019, the CER's first full fiscal year in operation was 2020-21. While the CER's first full fiscal year in operation was overshadowed by the pandemic, the organization made significant progress in advancing its important work as the country's national energy regulator. I want to recognize the CER's efforts in meeting the needs of Canada's modern energy sector.

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 will continue to lead my organization's transition to the reporting regime provided under the *Service Fees Act* in support of cost-effective delivery of services.

Gitane De Silva
Chief Executive Officer
Canada Energy Regulator



About this report

This report, which is tabled under section 20 of the *Service Fees Act*ⁱⁱ, including the *Low-Materiality Fees Regulations*ⁱⁱⁱ and subsection 4.2.8 of the *Directive on Charging and Special Financial Authorities*^{iv}, contains information about the fees that Canada Energy Regulator had the authority to set in 2020–21.¹

Government of Canada departments may set fees for services, licences, permits, products, the use of facilities, for other authorizations of rights or privileges, or to recover, in whole or in part, costs incurred in relation to a regulatory scheme.

For reporting purposes, fees must be categorized under the following three fee-setting mechanisms:

1. Act, regulation or fees notice
 - An act of Parliament delegates the fee-setting authority to a department, minister or Governor in Council.
2. Contract
 - Ministers have the 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 regulation, and the Minister, department or Governor in Council has no control over the fee amount.

This report contains information about all fees that are under Canada Energy Regulator's authority.

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

For fees set by act, regulation or fees notice, it provides totals for fee groupings, as well as detailed information for each fee.

Although the fees that 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 Canada Energy Regulator's access to information fees for 2020–21 can be found in

1. All years presented in this manner refer to fiscal years.

our access to information report, which is posted on our Web page: [CER's Publications and Reports Page](#)^v.

Remissions

This report does not include remissions issued under the authority of the *Service Fees Act*, since this requirement took effect on April 1, 2021. Remissions issued under the *Service Fees Act* will be reported for the first time, as applicable, in the 2021–22 Fees Report, which will be published in 2022–23.

The *Service Fees Act* requires departments to remit a fee, in part or in full, to a fee payer when a service standard is deemed not met. Under the *Service Fees Act* and the *Directive on Charging and Special Financial Authorities*, departments had to develop policies and procedures for determining:

- whether a service standard has been met; and
- how much of a fee will be remitted to a fee payer if a service standard is deemed not met

At the time of this report being tabled, the Canada Energy Regulator is not subject to the requirements pursuant to section 7 of the *Service Fees Act* and its related instruments and therefore it does not have a remission policy.

The “Overall totals for 2020-21, by fee-setting mechanism” presents the total remissions by fee setting mechanism. The “Totals, by fee grouping, for fees set by act, regulation or fees notice” provides further details related to remissions that were issued under the authority of the *Financial Administration Act in 2020–21*.

Overall totals, by fee-setting mechanism

The following table presents the total revenue, cost and remissions for all fees that Canada Energy Regulator had the authority to set in 2020–21, by fee-setting mechanism.

Overall totals for 2020–21, by fee-setting mechanism

Fee-setting mechanism	Revenue (\$)	Cost (\$)	Remissions (\$)
Fees set by contract	0	0	Remissions do not apply to fees set by contract.
Fees set by either market rate or auction	0	0	0
Fees set by act, regulation or fees notice	115,741,450	115,678,025	1,241,925
Total	115,741,450	115,678,025	1,241,925

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

The following section presents, for each fee grouping, the total revenue, cost and remissions for all fees that Canada Energy Regulator had the authority to set in 2020–21 that are set by any of the following:

- act
- regulation

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.

Regulatory fees: totals for 2020–21

Fee grouping

Regulatory fees

Revenue (\$)	Cost (\$)	Remissions (\$)
115,741,200	115,336,998	1,241,925

License fees: totals for 2020–21

Fee grouping

License fee

Revenue (\$)	Cost (\$)	Remissions (\$)
250	341,027	0

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 2020–21 and that was set by any of 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, section 87(1)^{vi} National Energy Board Cost Recovery Regulations, section 14(1)^{vii}
Year fee-setting authority was introduced	1991
Last year fee-setting authority was amended	2019
Service standard	<ol style="list-style-type: none"> 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	<p>All three service standards were met at 100%:</p> <ol style="list-style-type: none"> 1. 14 Preliminary estimated billing notices were sent by September 30, 2020 to large oil companies; 2. 14 Final estimated billing notices were sent by December 31, 2020 to large oil companies; 3. Issued 56 invoices during the fiscal year 2020-21.
Application of <i>Low-Materiality Fees Regulations</i>	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges^{vii}
2020-21 total fee revenue (\$)	55,047,037
Fee adjustment date in 2022-23	December 31, 2022
2022-23 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges^{vii}

Fee grouping	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, section 87(1) ^{vi} National Energy Board Cost Recovery Regulations, section 14(2) ^{vii}
Year fee-setting authority was introduced	1991
Last year fee-setting authority was amended	2019
Service standard	<ol style="list-style-type: none"> 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	<p>All three service standards were met at 100%:</p> <ol style="list-style-type: none"> 1. 11 Preliminary estimated billing notices were sent by September 30, 2020 to large gas companies; 2. 11 Final estimated billing notices were sent by December 31, 2020 to large gas companies; 3. Issued 44 invoices during the fiscal year 2020-21.
Application of Low-Materiality Fees Regulations	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges ^{vii}
2020-21 total fee revenue (\$)	53,563,794
Fee adjustment date in 2022-23	December 31, 2022
2022-23 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges ^{vii}

Fee grouping	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, section 87(1)^{vi} National Energy Board Cost Recovery Regulations, section 14(3)^{vii}
Year fee-setting authority was introduced	1991
Last year fee-setting authority was amended	2019
Service standard	<ol style="list-style-type: none"> 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 powerline companies.
Performance result	<p>All three service standards were met at 100%:</p> <ol style="list-style-type: none"> 1. 10 Preliminary estimated billing notices were sent by September 30, 2020 to large powerline companies; 2. 10 Final estimated billing notices were sent by December 31, 2020 to large powerline companies; 3. Issued 40 invoices during the fiscal year 2020-21.
Application of Low-Materiality Fees Regulations	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges ^{vii}
2020-21 total fee revenue (\$)	6,937,369
Fee adjustment date in 2022-23	December 31, 2022
2022-23 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges ^{vii}

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Fee grouping	License fee
Fee	Fee charged for the issuance of operating licenses under the <i>Canada Oil and Gas Operations Act (COGO Act)</i> .
Fee-setting authority	Canada Oil and Gas Operations Act, section 4.2 ^{viii} Canada Oil and Gas Operations Regulations, section 3(2)(d) ^{ix}
Year fee-setting authority was introduced	1985
Last year fee-setting authority was amended	2020
Service standard	Issue annual Operating Licence 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%. 10 COGOA approval letters were sent.
Application of <i>Low-Materiality Fees Regulations</i>	Low-materiality / <51
2020-21 fee amount (\$)	25
2020-21 total fee revenue (\$)	250
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	25

Fee grouping	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, section 87(1) ^{vi} National Energy Board Cost Recovery Regulations, section 5(3)(1) ^{vii}
Year fee-setting authority was introduced	1991
Last year fee-setting authority was amended	2019
Service standard	Issue an invoice to the company.
Performance result	There was no invoice issued
Application of Low-Materiality Fees Regulations	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges ^{vii}
2020-21 total fee revenue (\$)	0
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges ^{vii}

Fee grouping	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, section 87(1) ^{vi} National Energy Board Cost Recovery Regulations, section 5(2)(1) ^{vii}
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
Application of Low-Materiality Fees Regulations	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges ^{vii}
2020-21 total fee revenue (\$)	0
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	Fees are based on formulas that can be found at the following website: Cost Recovery Charges ^{vii}

Fee grouping	Regulatory fees
Fee	Each small oil pipeline company shall, every year, pay to the Board an administration levy of \$500.
Fee-setting authority	<i>Canadian Energy Regulator Act, section 87(1)</i> ^{vi} <i>National Energy Board Cost Recovery Regulations, section 5(1)(2)</i> ^{vii}
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, 2020.
Application of <i>Low-Materiality Fees Regulations</i>	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	511
2020-21 total fee revenue (\$) *	5,500
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	511

*Due to small amount and low materiality, consumer price index was not applied.

Fee grouping	Regulatory fees
Fee	Each small gas pipeline company shall, every year, pay to the Board an administration levy of \$500.
Fee-setting authority	<i>Canadian Energy Regulator Act, section 87(1)</i> ^{vi} <i>National Energy Board Cost Recovery Regulations, section 5(1)(2)</i> ^{vii}
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 40 invoices on June 30, 2020.
Application of <i>Low-Materiality Fees Regulations</i>	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$) *	511
2020-21 total fee revenue (\$)	20,000
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	511

*Due to small amount and low materiality, consumer price index was not applied.

Fee grouping	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, section 87(1) ^{vi} National Energy Board Cost Recovery Regulations, section 5(1)(2) ^{vii}
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, 2020.
Application of <i>Low-Materiality Fees Regulations</i>	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	511
2020-21 total fee revenue (\$) *	3,500
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	511

*Due to small amount and low materiality, consumer price index was not applied.

Fee grouping	Regulatory fees
Fee	Each small power line company shall, every year, pay to the Board an administration levy of \$500.
Fee-setting authority	<i>Canadian Energy Regulator Act, section 87(1)</i> ^{vi} <i>National Energy Board Cost Recovery Regulations, section 5(1)(2)</i> ^{vii}
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, 2020.
Application of <i>Low-Materiality Fees Regulations</i>	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	511
2020-21 total fee revenue (\$) *	4,000
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	511

*Due to small amount and low materiality, consumer price index was not applied.

Fee grouping	Regulatory fees
Fee	Each intermediate oil pipeline company shall, every year, pay to the Board an administration levy of \$10,000.
Fee-setting authority	<i>Canadian Energy Regulator Act, section 87(1)^{vi}</i> <i>National Energy Board Cost Recovery Regulations, section 5(1)(1)^{vii}</i>
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 6 invoices on June 30, 2020.
Application of <i>Low-Materiality Fees Regulations</i>	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	10,220
2020-21 total fee revenue (\$) *	60,000
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	10,220

*Due to small amount and low materiality, consumer price index was not applied.

Fee grouping	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, section 87(1) ^{vi} National Energy Board Cost Recovery Regulations, section 5(1)(1) ^{vii}
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 9 invoices on June 30, 2020.
Application of <i>Low-Materiality Fees Regulations</i>	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	10,220
2020-21 total fee revenue (\$) *	90,000
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	10,220

*Due to small amount and low materiality, consumer price index was not applied.

Fee grouping	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, section 87(1) ^{vi} National Energy Board Cost Recovery Regulations, section 5(1)(1) ^{vii}
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 1 invoice on June 30, 2020.
Application of Low-Materiality Fees Regulations	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	10,220
2020-21 total fee revenue (\$) *	10,000
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	10,220

*Due to small amount and low materiality, consumer price index was not applied.

Fee grouping	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, section 87(1) ^{vi} National Energy Board Cost Recovery Regulations, section 4(4) ^{vii}
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.
Application of <i>Low-Materiality Fees Regulations</i>	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	51,100
2020-21 total fee revenue (\$) *	0
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	51,100

*Due to small amount and low materiality, consumer price index was not applied.

Fee grouping	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, section 87(1) ^{vi} National Energy Board Cost Recovery Regulations, section 5.1(4) ^{vii}
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.
Application of Low-Materiality Fees Regulations	Not subject to <i>Service Fees Act</i>
2020-21 fee amount (\$)	511
2020-21 total fee revenue (\$) *	0
Fee adjustment date in 2022-23	Not applicable
2022-23 fee amount (\$)	511

*Due to small amount and low materiality, consumer price index was not applied.

Endnotes

- ⁱ *The Government of Canada website*, www.canada.ca
- ⁱⁱ *Service Fees Act*, <https://laws-lois.justice.gc.ca/eng/acts/S-8.4/FullText.html>
- ⁱⁱⁱ *Low Materiality Fees Regulations*, <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2019-109/index.html>
- ^{iv} *Directive on Charging and Special Financial Authorities*, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32502>
- ^v *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*, <https://laws-lois.justice.gc.ca/eng/acts/C-15.1/index.html>
- ^{vii} *National Energy Board Cost Recovery Regulations*, <https://laws-lois.justice.gc.ca/eng/regulations/SOR-91-7/index.html>
- ^{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/>