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Quarterly Financial Report  
For the quarter ended September 30, 2021

## Statement outlining results, risks and significant changes in operations, personnel and program

### Introduction

This quarterly financial report has been prepared by management as required by [Section 65.1 of the Financial Administration Act \(FAA\)](#) and in the form and manner prescribed by the Treasury Board in accordance with the special purpose financial reporting framework described in the [Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Reports](#). It should be read in conjunction with the [Main Estimates](#) and [Supplementary Estimates](#). This quarterly report has not been subject to an external audit or review.

A summary description of the Canada Energy Regulator (CER)'s core responsibilities can be found in [Part II of the Main Estimates](#).

The CER receives its funding through annual Parliamentary authorities. The majority of expenditures are subsequently recovered from the companies regulated by the CER and the funds are deposited to the Consolidated Revenue Fund of the Government of Canada.

### Basis of Presentation

The quarterly financial report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the CER's spending authorities granted by Parliament, and those used by the CER, consistent with the Main Estimates and Supplementary Estimates for the fiscal year ending March 31, 2022. This quarterly financial report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

The CER uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

### Highlights of the Fiscal Quarter and the Fiscal Year to Date Results

This section highlights any significant items that affected the year-to-date results and/or contributed to the net change in resources available for the year and actual expenditures. It should be read in conjunction with the [Statement of Budgetary Authorities](#) and the [Departmental Budgetary Expenditures by Standard Object](#), which can be found at the end of this report.

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### Planned expenditures analysis

As reflected in the [Statement of Budgetary Authorities](#) and the [Departmental Budgetary Expenditures by Standard Object](#), the department's total authority available for use in the fiscal year as at March 31, 2022 is \$110.39 million, as compared to \$83.30 million as at March 31, 2021. The increase of \$27.09 million is due to:

- an increase of \$29.54 million related to Budget 2020 funding to stabilize CER's operations, and improve its ability to interpret and make data available digitally to Canadians;
- an increase of \$1.23 million related to compensation allocation as a result of adjustments made to terms and conditions of service or employment of the federal public administration;
- a decrease of \$2.23 million related to 2020-21 employee benefit plan;
- a decrease of \$0.85 million related to operational budget carryforward; and
- a decrease of \$0.60 million related to travel deduction

### Used expenditures analysis

As reflected in the [Departmental Budgetary Expenditures by Standard Object](#), the department's authority used in the quarter ended September 30, 2021 is \$51.78 million, as compared to \$43.24 million as at the quarter ended September 30, 2020. The increase of \$8.54 million is due to:

- an increase of \$5.88 million in personnel expenditures mainly related to Budget 2020 funding to improve its ability to interpret and make data available digitally to Canadians, compensatory leave cash out as well as employee benefit plan; and,
- a net increase of \$2.66 million mainly in professional services related to Budget 2020 funding to improve its ability to interpret and make data available digitally to Canadians and SAP Implementation Project.

### Risks and Uncertainties

The CER's responsibilities are shaped by emerging energy trends and by the proactive consideration of safety, environmental, societal and economic trends that may influence our ability to carry out responsibilities that represent the ever-changing interests and concerns of Canadians. Due to the nature of its mandate, the CER's expenditures are influenced by planned and unplanned events (internal and external) that create uncertainty in expenditure and resource pressures.

The COVID-19 pandemic continued to have an impact throughout the world for the 2021-22 fiscal year. For the CER, this meant that its staff would serve the public every day from about 500 locations across Canada, working from kitchen tables, makeshift home offices and in the field with additional safety protocols and gear.

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Thanks to an enormous team effort and solid business continuity planning, CER business operations continued uninterrupted throughout the year.

Every single day, CER staff got the job done: applications were reviewed, engagement with Indigenous peoples and stakeholders continued, and energy trends were compiled, analyzed and released to the public.

Oversight of CER-regulated energy infrastructure also continued in 2021-22, as the CER adapted how it conducted its compliance verification activities - including inspections - to protect the health and safety of CER staff, regulated companies, and all those it works closely with. As the CER considered COVID-19 a hazard that companies needed to identify and manage, the organization worked to verify that companies were taking all steps required to protect their workers from the impacts caused by the pandemic.

Most importantly, all of this work and these modified processes are carried out without compromising safety, oversight or environmental monitoring.

The Commission of the Canada Energy Regulator also adjusted a number of its adjudicative processes to replace in-person meetings with alternative formats, such as written or virtual proceedings. This allowed the Commission to continue to conduct processes that are fair, timely, transparent and accessible, while also respecting public health measures.

### **Significant Changes in Relation to Operations, Personnel and Programs**

In response to COVID-19 pandemic situation, the CER announced implementation of operational changes. As of July 19, 2021, the CER began a flexible and volunteer return to the office in Calgary for the rest of the summer. The CER paused the Return-to-Work activities and all staff resumed working at home effective September 7, 2021 due to the new restrictions to address the concerning rise in COVID-19 cases.

There was a creation of a new position at the CER- Executive Vice President, People, Innovation, and Results during the second quarter of 2021-2022. Peter Linkletter was appointed to the position, effective September 13, 2021. The position is part of Senior Management Committee and leads a re-organized team consisting of the People and Workforce Supports (P&WS), Performance and Results (P&R), and Data and Information Management (DAIM) Business Units.

**The original version was approved by,**

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Gitane De Silva  
Chief Executive Officer  
Calgary, Canada  
25 November 2021

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Mark Power, CPA, CGA, CIA, MBA  
Chief Financial Officer

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**STATEMENT OF AUTHORITIES**  
**(unaudited)**

*(in thousands of dollars)*

	<b>Fiscal year 2021-2022</b>			<b>Fiscal year 2020-2021</b>		
	Planned expenditures for the year ending March 31, 2022*	Expended during the quarter ended September 30, 2021	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2021*	Expended during the quarter ended September 30, 2020	Year to date used at quarter-end
Vote 1 - Net Operating Expenditures	99,623	24,550	46,392	75,079	21,244	39,150
Statutory Authority	10,771	2,693	5,386	8,222	2,039	4,094
<b>Total Budgetary authorities</b>	<b>110,394</b>	<b>27,243</b>	<b>51,778</b>	<b>83,301</b>	<b>23,283</b>	<b>43,244</b>
<b>Non-budgetary authorities</b>						
<b>Total authorities</b>	<b>110,394</b>	<b>27,243</b>	<b>51,778</b>	<b>83,301</b>	<b>23,283</b>	<b>43,244</b>

More information is available in the attached table.

\* Includes only Authorities available for use and granted by Parliament at quarter-end.

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**DEPARTMENTAL BUDGETARY EXPENDITURES BY STANDARD OBJECT (unaudited)**

*(in thousands of dollars)*

	Fiscal year 2021-2022			Fiscal year 2020-2021		
	Planned expenditures for the year ending March 31, 2022*	Expended during the quarter ended September 30, 2021	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended September 30, 2020	Year to date used at quarter-end
<b>Expenditures:</b>						
Personnel	85,549	21,910	42,875	64,659	18,784	36,999
Transportation and communication	3,326	279	524	2,386	239	309
Information	428	101	131	298	3	4
Professional and special services	15,342	4,052	6,646	11,549	3,022	4,333
Rentals	572	204	412	370	327	329
Repair and maintenance	1,138	168	472	752	622	743
Utilities, materials, and supplies	604	73	89	339	52	68
Acquisition of land, building	132	303	303	70	26	26
Acquisition of machinery and equipment	939	59	89	514	110	110
Transfer payments	2,364	50	118	2,364	33	203
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	44	119	-	65	120
<b>Total gross budgetary expenditures</b>	<b>110,394</b>	<b>27,243</b>	<b>51,778</b>	<b>83,301</b>	<b>23,283</b>	<b>43,244</b>
Less						
Total Revenues netted against expenditures	-	-	-	-	-	-
<b>Total net budgetary expenditures</b>	<b>110,394</b>	<b>27,243</b>	<b>51,778</b>	<b>83,301</b>	<b>23,283</b>	<b>43,244</b>

\* Includes only Authorities available for use and granted by Parliament at quarter-end.