



Quarterly Financial Report

For the quarter ended September 30, 2024

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

Introduction

This quarterly financial report has been prepared by Canada Energy Regulator (CER) 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.

The CER is named in Schedule II of the Financial Administration Act and is accountable to Parliament through the Minister of Natural Resources. The CER regulates energy infrastructure in a way that prevents harm and ensures the safe, reliable, competitive, and environmentally sustainable delivery of energy to Canada and the world. The Regulator's mandate includes:

- making transparent decisions, orders and recommendations with respect to pipelines, powerlines, offshore renewable energy projects and abandoned pipelines;
- overseeing the construction, operation and abandonment of pipelines, interprovincial powerlines and international powerlines and overseeing work and activities authorized under Part 5 of the CER Act as well as abandoned facilities;
- making orders with respect to traffic, tolls and tariffs and overseeing matters relating to traffic, tolls and tariffs;
- making decisions and orders and giving directions under Part 8 of the CER Act with respect to oil and gas interests, production and conservation;
- advising and reporting on energy matters;
- providing alternative dispute resolution processes;
- exercising powers and performing duties and functions that are conferred on the Regulator under any other Act of Parliament; and
- exercising its powers and performing its duties and functions in a manner that respects the Government of Canada's commitments with respect to the rights of the Indigenous Peoples of Canada.

The CER receives its funding through annual Parliamentary authorities. Nearly all 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.



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The CER's Core Responsibilities are Energy Adjudication, Safety and Environment Oversight, Energy Information and Engagement.

Further details on the CER's authority, mandate and programs can be found in the [Departmental Plans](#), [Departmental Results Reports](#), and [Part II of the Main Estimates](#).

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 2024-25 fiscal year. This quarterly 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.

When Parliament is dissolved for the purposes of a general election, section 30 of the Financial Administration Act authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

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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Budgetary Authorities 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 ending March 31, 2025 is \$115.34 million, as compared to \$117.35 million in the fiscal year ending March 31, 2024. The decrease of \$2.01 million is due to:

- an increase of \$2.28 million related to Grants and Contributions;
- an increase of \$0.81 million related to compensation allocations as a result of adjustments made to terms and conditions of service or employment in the federal public administration;
- an increase of \$0.02 million related to Operating Budget Carry Forward;
- a decrease of \$1.17 million related to the employee benefit plan;
- a decrease of \$1.46 million related to Budget 2022 funding for regulatory renewal activities including Indigenous engagement; and
- a decrease of \$2.49 million related to the Refocusing Government Spending.



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Expenditures Analysis

As reflected in the [Departmental Budgetary Expenditures by Standard Object](#), the department's authority used in the quarter ended September 30, 2024, is \$60.04 million, as compared to \$52.63 million as at the quarter ended September 30, 2023. The decrease of \$7.41 million is due to:

- an increase of \$7.04 million related to retroactive payment as a result of Collective Agreement renewal;
- an increase of \$1.77 million related to compensation allocations as a result of adjustments made to terms and conditions of service or employment in the federal public administration;
- a decrease of \$0.58 million related to the employee benefit plan;
- a decrease of \$0.60 million related to the Grants and Contributions; and
- a decrease of \$0.22 million related to Budget 2022 funding for regulatory renewal activities including Indigenous engagement and net-zero modelling as well as funding to implement the Impact Assessment Act.

Risks and Uncertainties

The CER's work is shaped by emerging energy trends and by the proactive consideration of safety, environmental, societal, and economic trends – that may influence both the volume of adjudicative matters that come before the CER in any given year, and 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.

In 2021, the CER implemented an Enterprise Risk Management (ERM) Framework as the next step in maturing the organization's processes for managing risks in the context of the current governance model and new Strategic Plan. ERM is a holistic approach to identify, assess, prepare for, and manage organization-wide strategic risks. By providing a framework to identify enterprise level risk events, ERM enables the CER's Board of Directors and senior management to strategically manage events that might stand in the way of organizational success as well as identifying mitigations to these risks.



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Significant Changes in Relation to Operations, Personnel and Programs

The CER updated its Strategic Plan (Plan) for 2024-27. The Plan was approved by the Board of Directors in January 2024 and came into effect on April 1, 2024. The Plan is now available on our external web, along with accompanying resources to use and access. This Plan is a solid roadmap that helps ensure CER stays on the right track and is positioned for success in the coming years. It highlights that we are driven by our Vision, Mission and Mandate, which are grounded in CER Values and Guiding Principles and Reconciliation Values and Guiding Principles. Our Strategic Priorities are the shared lens that guide and focus the work contained in each of our four Core Responsibilities and Internal Services areas.

Effective August 28, 2024, Her Excellency the Governor General in Council, on the recommendation of the Minister of Natural Resources, has:

- appointed Jean-Denis Charlebois as a full-time commissioner of the Canada Energy Regulator for a term of six years; and
- reappointed Trena Grimoldby as a full-time commissioner of the Canada Energy Regulator for a term of five years.

Approval by Senior Officials

The original version was approved by _____ The original version was approved by _____

Tracy Sletto
Chief Executive Officer

Jason Reid
Chief Financial Officer

Calgary, Canada
15 November 2024



Statement of Authorities *(unaudited)*

(in thousands of dollars)

	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Total available for use for the year ending March 31, 2025*	Used during the quarter ended September 30, 2024	Year to date used at quarter-end	Total available for use for the year ending March 31, 2024*	Used during the quarter ended September 30, 2023	Year to date used at quarter-end
Vote 1 - Program Expenditures	105,096	32,141	54,912	105,932	23,266	46,920
Statutory Authority	10,248	2,562	5,124	11,413	2,853	5,706
Total Budgetary authorities	115,344	34,703	60,036	117,345	26,119	52,626
Non-budgetary authorities						
Total authorities	115,344	34,703	60,036	117,345	26,119	52,626

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)*

<i>(in thousands of dollars)</i>	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Planned expenditures for the year ending March 31, 2025*	Expended during the quarter ended September 30, 2024	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2024*	Expended during the quarter ended September 30, 2023	Year to date used at quarter-end
Expenditures:						
Personnel	87,463	31,513	53,273	88,168	21,932	43,865
Transportation and communications	2,070	501	961	2,557	608	1,026
Information	186	64	124	270	28	30
Professional and special services	13,460	2,110	4,141	16,101	2,729	5,354
Rentals	1,160	243	645	525	268	370
Repair and maintenance	997	5	262	1,053	267	460
Utilities, materials, and supplies	272	111	188	467	115	184
Acquisition of land, buildings and works	-	-	-	259	-	-
Acquisition of machinery and equipment	695	37	79	1,245	(70)	324
Transfer payments	8,977	119	363	6,700	237	964
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	64	-	-	-	5	49
Total gross budgetary expenditures	115,344	34,703	60,036	117,345	26,119	52,626
Less						
Total Revenues netted against expenditures	-	-	-	-	-	-
Total net budgetary expenditures	115,344	34,703	60,036	117,345	26,119	52,626

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