

Northern Pipeline Agency

2019–20

Departmental Results Report

The Honorable Seamus O'Regan, P.C. M.P.
Minister of Natural Resources

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Cat. No. BT31-2/2020III-31

ISSN 2368-4054

This report is published separately in both official languages.

Copies are available on the Northern Pipeline Agency website at:

<http://npa.gc.ca/publications/>

Printed in Canada

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Commissioner's message

It is my pleasure to present the 2019-20 Departmental Results Report for the Northern Pipeline Agency (the Agency).

The Agency was established by the *Northern Pipeline Act* (the Act) in 1978 to facilitate the planning and construction by Foothills Pipe Lines Ltd. (Foothills) of the Canadian portion of the Alaska Highway Gas Pipeline (AHGP) project and to maximize social and economic benefits from its construction and operation while minimizing any adverse effects. The pipeline was certificated in 1978 under the Act to transport Alaskan and possibly northern Canadian natural gas to southern markets in Canada and the United States, as provided for by the *Canada-U.S. Agreement on Principles Applicable to a Northern Natural Gas Pipeline*.



The southern portion of the pipeline was constructed in the early 1980s and presently transports Canadian gas to commercial markets. Economic conditions since 1982 have led to several delays in the completion of the northern portion of the AHGP. Agency activity levels reflect these fluctuating conditions.

In 2008, TransCanada PipeLines Limited (now TC Energy), which owns Foothills, was selected by the State of Alaska to pursue a large-scale pipeline project that would transport natural gas in a large diameter buried pipeline from Prudhoe Bay, Alaska to Boundary Lake, Alberta using the northern portion of the AHGP project. However, Foothills/TC Energy notified the Agency in February 2013 that no further work is planned on the AHGP for now and it will await further commercial interest before recommencing its efforts.

In 2019-20, contingency funding was identified for the Agency to undertake Crown consultations and capacity building with directly affected Indigenous peoples in the event that an extension of the easement agreement was pursued by the proponent. This contingency funding was not required.

To align with the reduction in the AHGP project activities in recent years, the Agency has scaled down its operations to a minimal level while continuing to fulfill Canada's ongoing obligations as set out in the Act. During this time, the Agency will also respond to any incoming inquiries from other government agencies, Indigenous Peoples and the public.

Jean-François Tremblay
Commissioner

Results at a glance and operating context

- **What funds were used?** \$238,467
- **Who was involved?** 1 Full-Time Equivalent (FTE)
- **Results Highlights**
 - The Agency has scaled down its operations to a minimal level to fulfill Canada’s ongoing obligations as set out in the *Northern Pipeline Act*.
 - The Agency exceeded its target for performance in responding to requests from external parties in a timely fashion.

For more information on the Agency’s plans, priorities and results achieved, see the “Results: what we achieved” section of this report.

Results: what we achieved

Program

Description: Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project.

Results:

Experimentation

The Agency has not planned any experimentation since it has scaled down its operations to a minimal level.

Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2019–20 Actual results	2018–19 Actual results	2017–18 Actual results
The Agency will maintain the appropriate minimum level of preparation activities for a regulatory framework, so as to remain prepared to ramp up quickly to effectively regulate and facilitate the planning and construction of the pipeline should the project proceed.	The Agency will respond to company and public correspondence within 15 business days of receipt.	80%	Annual	100%	100%	100%

In 2019-20, the Agency received only one request from the public.

Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
1,084,070	1,084,070	1,058,475	238,467	(845,603)

The decrease between Planned and Actual spending reflects the reduced spending in program expenditures including no contribution expenditures, which aligns with the reduction in the AHGP project activities.

Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
4	1	(3)

Financial, human resources and performance information for the Agency’s Program is available in [GC InfoBase](#).ⁱ

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are:

- ▶ Acquisition Management Services
- ▶ Communication Services
- ▶ Financial Management Services
- ▶ Human Resources Management Services
- ▶ Information Management Services
- ▶ Information Technology Services
- ▶ Legal Services
- ▶ Material Management Services
- ▶ Management and Oversight Services
- ▶ Real Property Management Services

Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)*	2019–20 Difference (Actual spending minus Planned spending)
0	0	0	0	0

Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
0	0	0

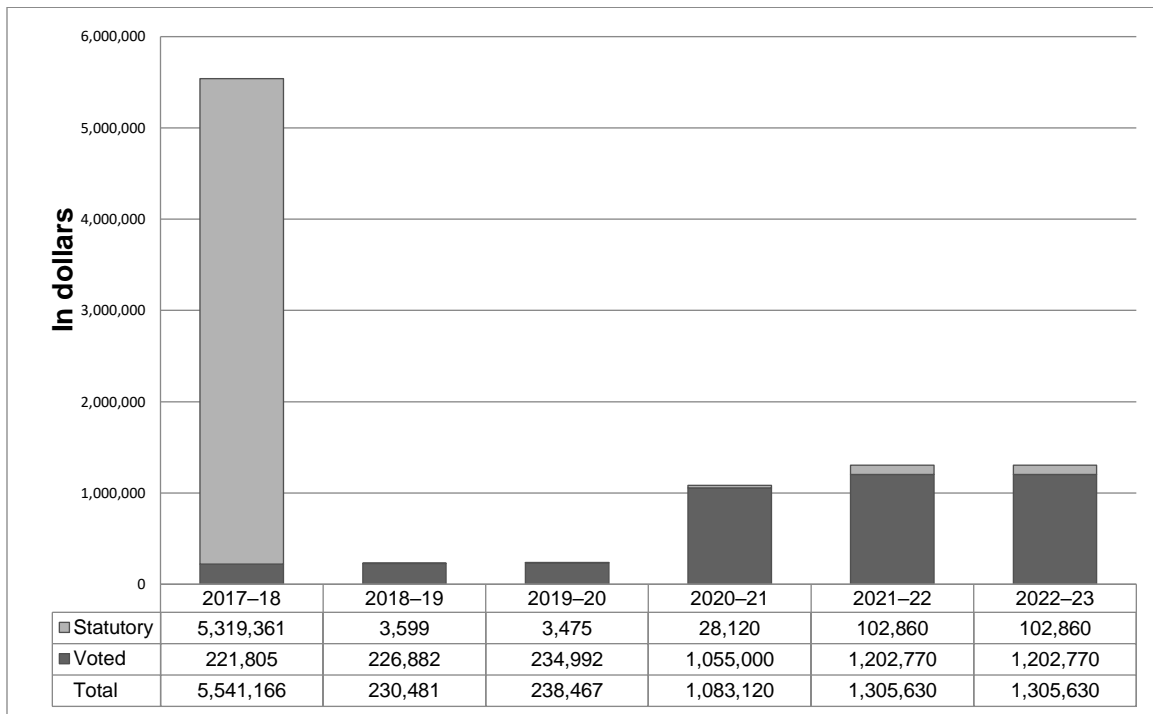
The Agency has a single strategic outcome and a single program. As a small and separate federal entity, the Agency has a service agreement with Natural Resources Canada and expenditures for internal services through this agreement are recorded as program spending.

Analysis of trends in spending and human resources

Actual expenditures

Departmental spending trend graph

The following graph presents planned (voted and statutory spending) over time.



The Agency’s Voted actual spending has remained relatively constant between 2017-18 and 2019-20. This spending aligns with the reduction in the AHGP project activities while continuing to fulfill Canada’s obligations under the Act. The actual Statutory spending was significantly higher in 2017-18 due to a remittance to TC Energy that represented the outstanding over-collection balance from Foothills, accumulated as of December 14, 2017. This over-collection balance occurred as a result of the Agency’s cost-recovery mechanism, based on forecasted expenditures. The Agency’s forecasted spending for 2020-21 onwards reflects the increased funding allocated to the Agency when Phase II (the northern portion) of the project was being advanced by Foothills/TC Energy. The planned spending in 2021-22 and future years will be re-assessed in 2020-21 and adjusted as necessary.

Budgetary performance summary for Program and Internal Services (dollars)

Program and Internal Services	2019–20 Main Estimates	2019–20 Planned spending	2020–21 Planned spending	2021–22 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2018–19 Actual spending (authorities used)	2017–18 Actual spending (authorities used)
Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project	1,084,070	1,084,070	1,083,120	1,305,630	1,058,475	238,467	230,481	5,541,166
Subtotal	1,084,070	1,084,070	1,083,120	1,305,630	1,058,475	238,467	230,481	5,541,166
Internal Services	0	0	0	0	0	0	0	0
Total	1,084,070	1,084,070	1,083,120	1,305,630	1,058,475	238,467	230,481	5,541,166

Actual human resources**Human resources summary for Program and Internal Services**

Program and Internal Services	2017–18 Actual full-time equivalents	2018–19 Actual full-time equivalents	2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2020–21 Planned full-time equivalents	2021–22 Planned full-time equivalents
Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project	1	1	4	1	4	4
Subtotal	1	1	4	1	4	4
Internal Services	0	0	0	0	0	0
Total	1	1	4	1	4	4

Expenditures by vote

For information on the Agency’s organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2019–2020](#).ⁱⁱ

Government of Canada spending and activities

Information on the alignment of the Agency’s spending with the Government of Canada’s spending and activities is available in [GC InfoBase](#).ⁱⁱⁱ

Financial statements and financial statements highlights

Financial statements

The Agency’s financial statements (unaudited) for the year ended March 31, 2020, are available on the [Agency website](#).^{iv}

Financial statement highlights

The highlights presented in this section are drawn from the Agency’s financial statements.

The financial statements were prepared using the Government of Canada accounting policies, which are based on Canadian public sector accounting standards resulting in figures that may differ from those provided in other sections of the Departmental Results Report prepared on an expenditure basis. A reconciliation between authorities used on an expenditure basis and the net cost of operations prepared on an accrual basis is set out in Note 3 of the Agency’s financial statements.

Condensed Statement of Operations (unaudited) for the year ended March 31, 2020 (dollars)

Financial information	2019–20 Planned results*	2019–20 Actual results	2018–19 Actual results	Difference (2019–20 Actual results minus 2019–20 Planned results)	Difference (2019–20 Actual results minus 2018–19 Actual results)
Total expenses	1,088,629	243,222	235,355	(845,407)	7,867
Total net revenues	0	0	0	0	0
Net cost of operations before government funding and transfers	1,088,629	243,222	235,355	(845,407)	7,867

* For information on the Agency's planned results, consult [the Agency's 2019-20 Future-Oriented Statement of Operations.](#)^v

Total Agency expenses of \$243,222 are consistent with the previous year and take into account the need to align with the reduction in the AHGP project activities while continuing to fulfill Canada's obligations under the Act.

Condensed Statement of Financial Position (unaudited) as of March 31, 2020 (dollars)

Financial information	2019–20	2018–19	Difference (2019–20 minus 2018–19)
Total liabilities	186,475	16,866	169,609
Total net financial assets	184,006	11,746	172,260
Departmental net debt	2,469	5,120	(2,651)
Total non-financial assets	2,469	5,120	(2,651)
Departmental net financial position	0	0	0

Total Agency liabilities include accounts payable of \$186,475 to other government departments and agencies. The increase of \$169,609 in accounts payable to other government departments and agencies from 2018-19 is mainly due to late billing.

Total Agency net financial assets of \$184,006 include \$25,595 in accounts receivable from other government departments and agencies and \$158,411 due from the consolidated revenue fund,

which represents amounts that may be disbursed without further charges to the Agency authorities.

Total Agency non-financial assets of \$2,469 consist of tangible capital assets. The decrease of \$2,651 from 2018-19 is due to the amortization of capital assets.

Additional information

Organizational profile

Appropriate minister[s]: The Honorable Seamus O'Regan, P.C. M.P.

Institutional head: Jean-François Tremblay

Ministerial portfolio: Natural Resources Canada

Enabling instrument[s]: [Northern Pipeline Act](#)^{vi}

Year of incorporation / commencement: 1978

Other: The Northern Pipeline Agency's operating costs to carry out federal responsibilities for the planning and construction of the Alaska Highway Natural Gas Pipeline project are fully recovered from Foothills Pipe Lines Ltd., the project proponent.

Raison d'être, mandate and role: who we are and what we do

“Raison d'être, mandate and role: who we are and what we do” is available on the [Agency's website](#).^{vii}

For more information on the department's organizational mandate letter commitments, see the [Minister's mandate letter](#).^{viii}

Reporting framework

The Agency's Departmental Results Framework and Program of record for 2019–20 are shown below.

1. Strategic Outcome: The planning and construction of the Canadian portion of the Alaska Highway Gas Pipeline project is efficient and expeditious while ensuring environmental protection and social and economic benefits for Canadians.

1.1 Program: Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project.

Internal Services

Supporting information on the Program

Financial, human resources and performance information for Agency's Program is available in [GC InfoBase](#).^{ix}

Supplementary information tables

The Agency has no applicable supplementary information tables.

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#).^x This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

The Northern Pipeline Agency has been designated as a department for the purposes of the *Financial Administration Act*. The Agency currently reports to Parliament through the Minister of Natural Resources, who is responsible for the management and direction of the Agency. The Agency has one senior officer, a Commissioner appointed by the Governor in Council. The Commissioner is currently the Deputy Minister of Natural Resources Canada. The Northern Pipeline Agency's organizational structure is defined by the *Northern Pipeline Act*.

The Agency's contact information is as follows:

Mailing address:

470-588 Booth Street
Ottawa, ON K1A 0Y7

Phone: (613) 995-1150

Email: info@npa-apn.gc.ca

Appendix: definitions

appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

core responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

Departmental Plan (plan ministériel)

A report on the plans and expected performance of an appropriated department over a 3-year period. Departmental Plans are usually tabled in Parliament each spring.

departmental priority (priorité)

A plan or project that a department has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

departmental result (résultat ministériel)

A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

departmental result indicator (indicateur de résultat ministériel)

A quantitative measure of progress on a departmental result.

departmental results framework (cadre ministériel des résultats)

A framework that connects the department's core responsibilities to its departmental results and departmental result indicators.

Departmental Results Report (rapport sur les résultats ministériels)

A report on a department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

experimentation (expérimentation)

The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works, for whom and in what circumstances.

Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the full-time equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

gender-based analysis plus (GBA+) (analyse comparative entre les sexes plus [ACS+])

An analytical process used to assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race ethnicity, religion, age, and mental or physical disability.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2019–20 Departmental Results Report, those high-level themes outlining the government's agenda in the 2019 Speech from the Throne, namely: Fighting climate change; Strengthening the Middle Class; Walking the road of reconciliation; Keeping Canadians safe and healthy; and Positioning Canada for success in an uncertain world.

horizontal initiative (initiative horizontale)

An initiative where two or more federal organizations are given funding to pursue a shared outcome, often linked to a government priority.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

plan (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead to the expected result.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

program (programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

Program alignment architecture (architecture d'alignement des programmes)

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

program inventory (répertoire des programmes)

Identifies all the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

result (résultat)

A consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

target (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

- ⁱ GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ⁱⁱ Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- ⁱⁱⁱ GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ^{iv} The Agency 2019-20 Financial Statements, <https://npa.gc.ca/publications/69>
- ^v The Agency's 2019-20 Future Oriented Statement of Operations, <https://npa.gc.ca/publications/409>
- ^{vi} The *Northern Pipeline Act*, <https://laws-lois.justice.gc.ca/eng/acts/N-26/>
- ^{vii} The Agency's Website, <https://npa.gc.ca/home>
- ^{viii} Minister of Natural Resources Mandate Letter, <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-natural-resources-mandate-letter>
- ^{ix} GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ^x Report on Federal Tax Expenditures, <https://www.canada.ca/en/department-finance/services/publications/federal-tax-expenditures.html>