

# Northern Pipeline Agency

2018–19

## **Departmental Plan**

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The Honourable Jim Carr, P.C., M.P.  
Minister of Natural Resources

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Cat. No. BT31-2/2018III-31

ISSN 2368-4054

This report is published separately in both official languages.

Copies are available on the Northern Pipeline Agency website at:

<http://www.npa-apn.gc.ca/publications/69>

Printed in Canada

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## Commissioner's message

It is my pleasure to present the *2018-19 Departmental Plan* for the Northern Pipeline Agency (the Agency).

The Agency was established by the Northern Pipeline Act (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. Unfavourable economic conditions have led to several delays in the completion of the northern portion of the pipeline.

In 2008, TransCanada PipeLines Limited (TransCanada), which now 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/TransCanada 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.

To align with the reduction in the AHGP project activities for the foreseeable future, 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 groups and the public.

Christyne Tremblay  
Commissioner



## Plans at a glance

**Planned financial resources:** \$493,880

**Who is involved?** 1 FTE

**What results are planned?** 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.

For more information on the Agency’s plans, priorities and planned results, see the “Planned results” section of this report.





## Planned results: what we want to achieve this year and beyond

### Program

### **Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project**

#### **Description**

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

#### **Planning highlights**

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.

#### Planned results

Departmental Results	Departmental Result Indicators	Target	Date to achieve target	2014–15 Actual results*	2015–16 Actual results	2016–17 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	Not applicable	100	100

\*The Performance indicator came into effect in 2015-16 and therefore no results are available for the previous year.

In 2016-17 the Agency received only one request from the public.

#### Budgetary financial resources (dollars)

2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
493,880	493,880	1,908,410	1,908,410

## Human resources (full-time equivalents)

2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
1	4	4

Financial, human resources and performance information for the Agency’s Program is available in the [GC InfoBase](#).<sup>1</sup>

## 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: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

## Budgetary financial resources (dollars)

2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
0	0	0	0

## Human resources (full-time equivalents)

2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
0	0	0

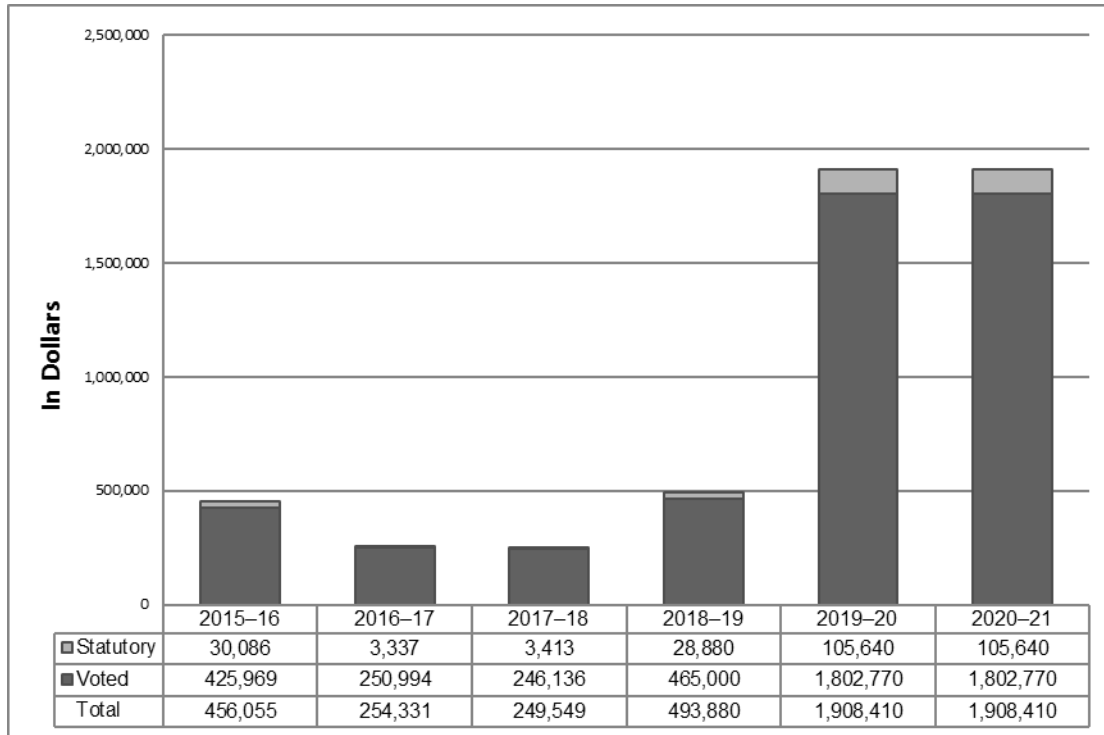
### Planning highlights

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

## Spending and human resources

### Planned spending

#### Departmental spending trend graph



The Agency’s spending trend graph is a reflection of the Agency’s past and forecasted operational requirements. In the 2011 Budget, the Agency received new funding to support the development of the AHGP given Foothill/TransCanada’s decision at that time to pursue the northern portion of the project. The Agency’s operating costs were increased to respond to the company’s expectations for regulatory services (including a forecasted requirement of four FTEs). In 2012-13 Foothills/TransCanada informed the Agency that it would not be proceeding with the project until further notice. Consequently, the Agency’s operational requirements have been adjusted from the initial forecast on a year-by-year basis (as reflected in the graph above for 2015-16 to 2017-18). For 2018-19, the Agency’s planned spending in the amount of \$493,880 is consistent with the downward adjustment reflecting a minimal level of activity sufficient to enable the Agency to fulfill Canada’s obligations under the Act (adjustment to approximately one FTE and operational costs). While forecasts for 2019-20 and subsequent years continue to reflect the level of funding provided previously, these forecasts will be adjusted as necessary to reflect a funding level commensurate with the Agency’s anticipated operational requirements.

Budgetary planning summary for the Program and Internal Services (dollars)

Program and Internal Services	2015–16 Expenditures	2016–17 Expenditures	2017–18 Forecast spending	2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project.	456,055	254,331	249,549	493,880	493,880	1,908,410	1,908,410
<b>Subtotal</b>	456,055	254,331	249,549	493,880	493,880	1,908,410	1,908,410
Internal Services	0	0	0	0	0	0	0
<b>Total</b>	456,055	254,331	249,549	493,880	493,880	1,908,410	1,908,410

Planned human resources

Human resources planning summary for the Program and Internal Services (full-time equivalents)

Program and Internal Services	2015–16 Actual full-time equivalents	2016–17 Actual full-time equivalents	2017–18 Forecast full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project.	2	1	1	1	4	4
<b>Subtotal</b>	2	1	1	1	4	4
Internal Services	0	0	0	0	0	0
<b>Total</b>	2	1	1	1	4	4

Estimates by vote

For information on the Agency’s organizational appropriations, consult the [2018–19 Main Estimates](#).<sup>ii</sup>

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of the Agency’s operations. The forecast of financial information on expenses and revenues is prepared

on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the Agency's [website](#)<sup>iii</sup>.

Future-Oriented Condensed Statement of Operations  
for the year ended March 31 (dollars)

Financial information	2017–18 Forecast results	2018–19 Planned results	Difference (2018–19 Planned results minus 2017–18 Forecast results)
Total expenses	255,325	498,950	243,625
Total net revenues	0	0	0
Net cost of operations before government funding and transfers	255,325	498,950	243,625

To align with the reduction in the AHGP project activities for the foreseeable future, the Agency has scaled down its operations while continuing to fulfill Canada's ongoing obligations as set out in the Act. During this time of reduced activities, the Agency will also respond to any incoming inquiries from other government agencies, Indigenous groups and the public.



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## Supplementary information

### Corporate information

#### Organizational profile

**Appropriate minister:** The Honourable Jim Carr, P.C., M.P.

**Institutional head:** Christyne Tremblay

**Ministerial portfolio:** Natural Resources Canada

**Enabling instrument:** [Northern Pipeline Act](#)<sup>iv</sup>

**Year of incorporation / commencement:** 1978

**Other:** The operating costs of the Agency to carry out federal responsibilities for the planning and construction of the AHGP project are fully recovered from the project proponent, Foothills, which is now fully owned by TransCanada.

#### Raison d’être, mandate and role

“Raison d’être, mandate and role: who we are and what we do” is available on the Agency’s [website](#).<sup>v</sup>

#### Operating context and key risks

Information on operating context and key risks is available on the Agency’s [website](#).<sup>vi</sup>

#### Reporting framework

The Agency’s Strategic Outcome and Program Alignment Architecture (PAA) of record for 2018–19 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

Supporting information on planned expenditures, human resources, and results related to the Agency’s Program is available in the [GC InfoBase](#).<sup>vii</sup>

## Supplementary information tables

The following supplementary information tables are available on the Agency's [website](#)<sup>viii</sup>:

- ▶ Disclosure of transfer payment programs under \$5 million

## 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](#).<sup>ix</sup> 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 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 Agency's organizational structure is defined by the 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](mailto: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 appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

### **Departmental Result (résultat ministériel)**

Any change or changes that the department seeks to influence. 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 factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

### **Departmental Results Framework (cadre ministériel des résultats)**

The department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

### **Departmental Results Report (rapport sur les résultats ministériels)**

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

### **experimentation (expérimentation)**

Activities that seek to explore, test and compare the effects and impacts of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

**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. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

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

An analytical process used to help identify the potential impacts of policies, programs and services on diverse groups of women, men and gender-diverse people. The “plus” acknowledges that GBA goes beyond sex and gender differences to consider multiple identity factors that intersect to make people who they are (such as race, ethnicity, religion, age, and mental or physical disability).

**government-wide priorities (priorités pangouvernementales)**

For the purpose of the 2018–19 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government’s agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

**horizontal initiative (initiative horizontale)**

An initiative in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

**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.

**planned spending (dépenses prévues)**

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

**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 up to the expected result.

**priority (priorité)**

A plan or project that an organization 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.

**program (programme)**

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

**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.

**results (résultat)**

An external 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.

**Strategic Outcome (résultat stratégique)**

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

**sunset program (programme temporisé)**

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

**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.

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## Endnotes

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- i. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ii. 2018–19 Main Estimates, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates.html>
- iii. Northern Pipeline Agency Future Oriented Statement of Operations, <http://npa.gc.ca/publications/69>
- iv. Northern Pipeline Act, <http://laws-lois.justice.gc.ca/eng/acts/N-26/index.html>
- v. Northern Pipeline Agency website, <http://npa.gc.ca/14>
- vi. Northern Pipeline Agency website, <http://npa.gc.ca/14>
- vii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- viii. Northern Pipeline Agency Supplementary Tables, <http://npa.gc.ca/publications/69>
- ix. Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>