

# National Energy Board

2017-18

## Departmental Results Report

*The original version was signed by*

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C. Peter Watson, P.Eng., FCAE  
Chair and CEO  
National Energy Board

*The original version was signed by*

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The Honorable Amarjeet Sohi, P.C., M.P.  
Minister  
Natural Resources

Canada

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## Message from the Chair and CEO

The National Energy Board (NEB) is Canada’s federal energy regulator. Canadians count on us to keep them safe, to protect the environment, to prevent market inefficiencies and to listen to what they have to say, so that we can make informed decisions and recommendations in the Canadian public interest.



We do this using a systemic approach that looks at the performance of individual companies, and then uses the aggregate data and evidence to assess the performance of the industry as a whole.

As a part of our commitment to delivering effective and efficient regulatory oversight, we share information and operate transparently, using the feedback and information we receive to drive continual improvements. This aspect of our work is critical, as the context of energy development and regulation in Canada is evolving at unprecedented speed.

The past year has provided the NEB with many opportunities and challenges. The on-going debate about energy infrastructure development, and related developments in Indigenous consultation and law, illustrate clearly that our processes must continue to evolve to answer to the expectations of Canadians. The NEB has actively sought new ideas to transform how we work. We have completed a full-year cycle under our [Departmental Results Framework<sup>i</sup>](#) (DRF) performance reporting, which has enabled a strategic and focused conversation within the NEB about how to address issues we see emerging, and to improve our own performance. As a result, we have already begun to strengthen engagement with Indigenous Peoples, landowners and municipal organizations. We are employing innovative techniques to increase accessibility and participation in our adjudication processes, and drive transparency and effectiveness in our oversight activities. We continue to provide Canadians with high-quality, comprehensive energy information.

The greatest asset the NEB has is the sum of our experience: what we know and learn from our analysis of the root causes of past incidents; the trends and issues we see in the data we hold about our performance and the performance of industry; and our understanding of the systemic issues and “big picture” of Canada’s energy system.

We use that asset to deliver better outcomes for Canadians. We assess and improve our regulatory framework, requirements and performance. We share and discuss our knowledge with

Indigenous Peoples, communities, industry, and with other regulators both in Canada and internationally. We look for new ways to approach issues and improve processes.

Looking ahead, we know there is still much more work to be done, and we are confident that, guided by data, information, stakeholder feedback and collaboration with Indigenous Peoples, the NEB is up to the task. We look forward to a modernization that will further strengthen and enhance our regulatory system. The staff and Board Members of the NEB will continue to embrace the responsibility of being Canada’s energy regulator with dedication, passion and commitment to continual improvement of our regulatory oversight on behalf of Canadians.

C. Peter Watson, P. Eng., FCAE

## Results at a glance

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



**Funds used: 93.8 Million**



**Number of staff: 481**

An integrating theme running through all NEB activities in 2017-18 was Engagement. We measure the results of this Core Responsibility in terms of whether **Indigenous Peoples and our stakeholders feel that the engagement we undertake with them is meaningful**. The NEB’s sustained focus on Engagement is changing the way we work as a regulator. It has enabled us to see clearly where we can continue to drive positive outcomes for the public that we serve – from incorporating Traditional Knowledge into our assessment of applications, to reaching beyond transactional regulatory compliance and enforcement, to influencing industry management systems and driving a culture of safety at the systemic level.

The NEB is committed to delivering **adjudication processes that are fair, timely, transparent and accessible**. In 2017-18, pipeline hearing activity remained high, with a lot of public interest and participation in projects such as the [Trans Mountain Expansion Project<sup>ii</sup>](#) (TMEP). In order to achieve these important outcomes, we broadened our use of enhanced engagement activities, such as Alternative Dispute Resolution (ADR), enabling NEB staff to facilitate solution-focused discussions with stakeholders and Indigenous Peoples along proposed and existing pipeline corridors. In addition, we made significant process adjustments that allowed for more timely administration of Participant Funding, and piloted new approaches, like moving Oral Traditional Evidence (OTE) sessions out of our more formal settings and into communities, meeting the direction of the [Minister’s Mandate letter<sup>iii</sup>](#) to better reflect the views and concerns of Indigenous Peoples in our processes.

Enhanced engagement played a critical role in Safety and Environmental Oversight in 2017-18 as well. Working in collaboration with regional stakeholders and municipalities on community-focused concerns like Emergency Management and damage prevention has paid off, making available key information and improving coordination between communities and companies that will result in faster, better response and proactive damage prevention strategies. The NEB led the development of Municipal Round Tables in Quebec and Vancouver to discuss regional infrastructure safety. We also participated, with the Government of Canada and Indigenous Peoples, in the co-development of Indigenous Advisory and Monitoring Committees (IAMCs), which will facilitate the integration of Indigenous stewardship and participation with regulatory

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oversight for stronger **protection against harm to people and the environment throughout the entire lifecycle of energy infrastructure.**

The NEB plays a vital role in **conveying objective and neutral energy information to Canadians for knowledge, research and decision-making, as well as providing them with community- and region-specific infrastructure information.** We released a variety of new products and data visualizations, including online [Pipeline Profiles](#)<sup>iv</sup>, provincial energy profiles, [Energy Futures 2017](#)<sup>v</sup>, [Renewable Power Landscape](#)<sup>vi</sup> and others. All of our energy products reflect not only staff expertise and research, but also engagement and collaboration with a broad variety of public, not-for-profit and academic organizations. We measure whether Canadians find that information useful, from both the number of interactions with the information on our web pages, and through surveys targeted at our information users. In 2017-18 the results for both of these metrics were very strong, with close to one million unique page views, and with 84% of our users agreeing that the NEB's energy information is useful for their purposes.

The delivery of results in 2017-18 were supported in part through the NEB's exploration and testing of new approaches in program design and delivery, in alignment with the government's commitment to [Experimentation and Innovation](#)<sup>vii</sup>. For example, the NEB conducted a safety culture indicator pilot in compliance verification activities, to test whether defined safety culture signals can be captured in traditional compliance verification activities (e.g., inspections) to improve safety and environmental protection. The pilot validated that the NEB can collect valuable information on safety culture indicators, and that we can apply this approach in other compliance verification activities. The safety culture indicator pilot will continue in 2018-19.

The NEB also made significant advances in our capacity to share data with Canadians, by exploring new approaches in technology and social media. We have increased the amount of energy information available through user-friendly interactive visualizations, to enable evidence-based decision making and remove barriers to understanding Canada's energy and pipeline systems. Using a similarly interactive online tool, the NEB piloted a [condition tracking system](#)<sup>viii</sup> to enhance public access to the construction compliance and enforcement oversight of the Trans Mountain Expansion project. The results of these innovations have been positive, and the NEB will continue to explore opportunities, encourage collaboration and drive innovation both within the organization and with external groups.



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

### Raison d'être

The National Energy Board is an independent federal regulator of several parts of Canada's energy industry. It regulates pipelines, energy development and trade on behalf of Canadians in a way that protects the public and the environment while supporting efficient markets. The Minister of Natural Resources is responsible for this organization.

### Mandate and role

The NEB is required to deliver the following results for each of its four core responsibility areas under its mandate:

- **Energy Adjudication:** Energy adjudication processes are fair, timely, transparent and accessible.
- **Safety and Environmental Oversight:** Harm to people and the environment, through the lifecycle of energy-related infrastructure, is prevented.
- **Energy Information:** Canadians have access to and use energy information for knowledge, research and decision making, access to community-specific NEB-regulated infrastructure information, and opportunities to collaborate and provide feedback on NEB information products.
- **Engagement:** Stakeholders and Indigenous Peoples share their perspectives and provide feedback regarding the NEB's mandate and role, and NEB engagement activities with stakeholders and Indigenous Peoples are meaningful.

We work in a way that demonstrates our commitment to the Values and Ethics Code for the public sector, regulatory excellence, exemplary leadership, continuous improvement, and an emphasis on the prevention of harm to better serve the public interest. This means we:

- Act beyond reproach in a transparent, fair, unbiased and evidence-based manner;
- Demonstrate our technical expertise and system-wide oversight and influence;
- Engage and build meaningful relationships with stakeholders and Indigenous peoples; and
- Measure, report on and take action to improve our performance in an open and accessible way.

The NEB's mandate is established by the [National Energy Board \(NEB\) Act](#)<sup>ix</sup>. In specified areas<sup>1</sup>, the NEB has regulatory responsibilities for oil and gas exploration and production activities under the [Canada Oil and Gas Operations Act \(COGOA\)](#)<sup>x</sup>, the [Canada Petroleum Resources Act \(CPRA\)](#)<sup>xi</sup>, and the [Northwest Territories' Oil and Gas Operations Act \(OGOA\)](#)<sup>xii</sup> and [Petroleum Resources Act \(PRA\)](#)<sup>xiii</sup>. In addition, the Board also conducts environmental assessments as required by federal legislation, such as the [Canadian Environmental Assessment Act, 2012 \(CEAA 2012\)](#)<sup>xiv</sup>, the [Mackenzie Valley Resource Management Act](#)<sup>xv</sup>, and the [Inuvialuit Final Agreement](#)<sup>xvi</sup> or the [Nunavut Land Claims Agreement](#)<sup>xvii</sup> for certain projects. Certain Board inspectors are appointed Health and Safety Officers by the Minister of Labour to administer Part II of the [Canada Labour Code](#)<sup>xviii</sup> as it applies to NEB-regulated facilities and activities. The NEB also monitors aspects of energy supply, demand, production, development and trade.

The NEB reports to Parliament through the Minister of Natural Resources.

For more general information about the department, see the “Supplementary information” section of this report. For more information on the department's organizational mandate letter commitments, see the [Minister's mandate letter](#).

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<sup>1</sup> Areas to which such responsibilities relate include Nunavut; Sable Island; the Inuvialuit Settlement Region onshore; that part of the onshore that is under the administration of a federal minister (including Normal Wells Proven area and other miscellaneous parcels); that part of the internal waters of Canada or the territorial sea of Canada that is not situated in a province other than the Northwest Territories, or in that part of the onshore that is not under the administration of a federal minister; and the continental shelf of Canada, but does not include the adjoining area as defined in section 2 of the Yukon Act.

## Operating context and key risks

### Operating context

As Canada's federal energy regulator, the NEB is not just an organization that conducts pipeline hearings. The NEB is also mandated to regulate safety and environmental protection for 72,126 km of interprovincial and international pipelines, which if laid end-to-end, would wrap around the earth nearly two times. We also regulate about 1,462 km of international and designated power lines; imports of natural gas; and exports of crude oil and natural gas liquids. The NEB is a lifecycle regulator, which means we oversee a pipeline project from the application assessment phase, through to construction, operation, and eventual abandonment.

The NEB's work places us squarely in the midst of the most important public policy debates in Canada. Pipeline safety, controversial pipeline projects, the rights and interests of Indigenous Peoples, regional issues, climate change policy and the transition to lower carbon energy systems all impact the work we do. These inter-related issues continue to create a deeply complex and evolving regulatory environment.

This requires us to listen carefully to what the people and communities who interact with us have to say, and to be prepared to respond transparently to evolving values and needs. It also requires us to analyze and share the data we collect on industry and market performance, using that information to make factual, evidence-based decisions and drive improvements not only in our own regulatory performance, but in the performance of the industry as a whole. While our role on behalf of Canadians has not changed much over time, the approach we take in fulfilling it has evolved continually.

Under a mandate from the Prime Minister, Natural Resources Canada conducted a review of the NEB's structure, role, and mandate in order to strengthen the regulatory process and ensure that Canada continues to have a modern, efficient and effective regulator. In early 2018, the Government introduced [Bill C-69: An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act](#)<sup>xix</sup>. Among other measures, this proposed legislation introduces a new impact assessment system and a new Canadian Energy Regulator. The NEB welcomes measures that strengthen our regulatory framework and supports our transformation to a robust and modern regulatory regime.

We have been mindful of this opportunity in work we have undertaken in the past year. We have fully implemented and are using our DRF, as well as developing our capacity to use and analyze data more strategically, to drive better outcomes in industry safety performance. We have forged new ways of working with Indigenous communities through IAMCs. We focused on providing more in-depth information about energy infrastructure and its safety performance to regions and

communities, and actively sought to provide energy information products that will add to how Canadians discuss and respond to energy issues. Each aspect of this work has helped prepare us to respond to change and quickly adapt to the legislative changes that modernization will bring to the Canadian energy landscape.

## Key risks

### Key risks

Risks	Mitigating strategy and effectiveness	Link to the department's Core Responsibilities	Link to mandate letter commitments and any Government-wide or departmental priorities
<p><b>Incident involving NEB-regulated infrastructure</b></p> <p>Incident involving NEB-regulated infrastructure resulting in a serious injury, fatality or significant environmental damage.</p>	<ul style="list-style-type: none"> <li>• Completion of Compliance Verification Activities, including inspections and audits, according to risk-informed Compliance Verification Plan and incident trend information.</li> <li>• NEB audits plans were risk-informed and verified that audited companies had effective management systems.</li> <li>• Staff were trained and ready to respond to emergency incidents; company Emergency Management Manuals are accessible.</li> <li>• Damage Prevention outreach programs reduced third party damage to buried infrastructure.</li> <li>• Engagement undertaken with stakeholders and Indigenous groups to inform and improve regulatory oversight activities and incident reduction activities.</li> </ul> <p>Risk identified in the 2017-18 Departmental Plan. Strategies reduced risk exposure.</p>	<p>Safety and Environment Oversight</p>	<p>Linked to Government-wide commitment to protect the environment and keep all Canadians safe.</p>
<p><b>Strengthening stakeholder relationships</b></p> <p>Ineffective strategies or actions to strengthen diverse stakeholder relationships (Indigenous Peoples, landowners, regional interests, industry, Canadians).</p>	<ul style="list-style-type: none"> <li>• Provided further resources for the NEB's work with the Indigenous Advisory Monitoring Committees.</li> <li>• Leveraged regional offices through the use of integrated engagement planning across the NEB.</li> <li>• Continued to expand the use of the Client Relationship Management System to capture and analyze data to inform and improve</li> </ul>	<p>Engagement</p>	<p>Linked to Government-wide commitment to strengthen relationships with Indigenous Peoples, and seek public input as it relates to environmental impacts and major resource development projects.</p>

	<p>organizational engagement planning and reporting capabilities.</p> <ul style="list-style-type: none"> <li>Continued to formalize ways for Indigenous Peoples and stakeholders to provide input/feedback into the development process of the NEB's regulatory framework.</li> </ul> <p>Risk identified in the 2017-18 Departmental Plan. Strategies reduced risk exposure.</p>		
<p><b>Incomplete data and information</b></p> <p>Incomplete data and information due to differing and/or outdated business systems, business rules and processes, which could result in a compromised ability to conduct analysis, deliver on regulatory initiatives, or provide accurate information to the public.</p>	<ul style="list-style-type: none"> <li>Developed and implemented a comprehensive Data Management Framework.</li> <li>Designated a Data Management Committee and associated roles and responsibilities.</li> <li>Created project plans for data management system enhancements.</li> <li>Developed a road map for identifying, drafting and prioritizing various information systems projects.</li> <li>Established a dedicated Business Unit for Data and Information Management.</li> </ul> <p>Risk identified in the 2017-18 Departmental Plan. Strategies reduced risk exposure.</p>	<p>Safety and Environment Oversight</p> <p>Energy Information</p>	<p>Linked to the Treasury Board Secretariat (TBS) Management Accountability Framework and the TBS Directive on Open Government.</p>
<p><b>Disclosure of sensitive information</b></p> <p>Accidental or intentional disclosure of sensitive information that could impact financial markets, pose a breach of the Government of Canada Policy on Government Security, or lead to a loss of public trust.</p>	<ul style="list-style-type: none"> <li>Maintained use of physical security controls (e.g., access controls, locks, barriers, safes).</li> <li>Implementation of IT security controls (e.g., firewalls, passwords) and adhered to Shared Services Canada guidelines.</li> <li>Provided staff with training on aspects of information security.</li> <li>Implemented guidelines, manuals and testing of staff.</li> <li>Made IT security improvements based on audit of IT security.</li> </ul> <p>Risk identified in the 2017-18 Departmental Plan. Strategies reduced risk exposure.</p>	<p>Energy Information</p>	<p>n/a</p>

<p><b>Harm to a member of the public, NEB staff or a Board Member</b></p> <p>An action, conduct, threat or gesture that could cause harm to a member of the public, NEB staff, or a Board Member (for instance, in conducting lifecycle activities, during a hearing, or other engagement activity).</p>	<ul style="list-style-type: none"> <li>Hearing security policy and procedures were put in place.</li> <li>Consulted with national, regional and local lead security agencies to assist in security risk assessment and applying safeguards.</li> </ul> <p>Risk identified in the 2017-18 Departmental Plan. Strategies reduced risk exposure.</p>	<p>Energy Adjudication</p> <p>Safety and Environment Oversight</p> <p>Energy Information</p>	<p>Linked to Government-wide commitment to protect the environment and keep all Canadians safe.</p>
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## Risk Analysis

The NEB takes all available action to prevent harm to the environment and the public through the lifecycle of energy-related infrastructure, with a focus on preventing incidents that result in a serious injury, fatality or significant environmental damage. The NEB uses risk-informed compliance verification activities determine company compliance with regulatory requirements. We require all companies to have a management system that identifies and controls hazards and risks, and we examine data and trends in incidents and non-compliances to focus our efforts on improving company management systems via controls that fix the root causes and mitigate the hazards. While the prevention of incidents is our top priority, the NEB also believes that being prepared for any situation is a critical part of energy safety. NEB regulated companies must have robust emergency management programs, that will anticipate and prevent incidents and manage conditions during an emergency.

The NEB's regulatory processes impact many different stakeholders and groups in a variety of ways. It is critical that the NEB be able to connect, communicate and understand those impacts, and that each different group is able make its voice heard, to avoid a loss of trust in the regulatory process and negative impacts on those affected by energy infrastructure. The NEB works to strengthen our relationships with Indigenous Peoples as well as landowners, regional representatives, industry, and other government groups. Implementing a public engagement strategy that includes a plan for meeting the distinct engagement needs of differing groups, combined with a regional NEB presence, will facilitate relationship-building now and into the future.

One aspect of building trust and relationships is being able to provide open, transparent data and information about the NEB's performance and that of the industry we regulate. Enhancing current systems and processes, while streamlining data and information management practices, reduces the risk of incomplete or inaccurate data and information. At the same time, the NEB takes every precaution to protect the data and information we manage. Accidental or intentional disclosure of sensitive information has the potential to impact financial markets, pose a breach of

the [Government of Canada Policy on Government Security](#)<sup>xx</sup>, or lead to a loss of public trust. Physical and information technology security controls and improvements, coupled with ongoing employee training on proper information management practices, mitigate this risk.

Canadian energy development remains a sensitive and often divisive issue that can touch the values of individuals and communities. There is a risk that such tensions can escalate to disruption or threats that may result in harm to members of the public, NEB staff, or a Board Member. The NEB will always provide an opportunity for Canadians to be heard, and so we continually review and consult on security assessments and strategies in order to conduct our processes in a way that protects the safety of individuals and upholds the right to be heard with respect.





## Results: what we achieved

### Core Responsibilities

#### Energy Adjudication

##### Description

Making decisions or recommendations to the Governor in Council on applications, which include environmental assessments, using processes that are fair, transparent, timely and accessible. These applications pertain to pipelines and related facilities, international power lines, tolls and tariffs, energy exports and imports, and oil and gas exploration and drilling in certain northern and offshore areas of Canada.

##### Adjudication Activity in 2017-18:

- 689 Applications Received
- 670 Decisions or Recommendations Issued
- 657 Adjudication Outreach Activities Conducted
- 543 Early Engagement Activities with Indigenous People Conducted
- 8 Oral Traditional Evidence Sessions Held

##### Results

The NEB met its targets for each of the four Performance Indicators in this Core Responsibility. There have been significant [court challenges to NEB decisions](#)<sup>xxi</sup> recently, including the August 30, 2018 FCA decision to quash the Order-in-Council approval of the TMEP certificate. These challenges signal a clear need for different, more intensive and more collaborative engagement with Indigenous communities to ensure that the views and concerns of Indigenous Peoples are heard, incorporated and reflected in NEB decisions. No NEB decisions were overturned in 2017-18 on matters related to procedural fairness.

The TMEP Detailed Route Application generated an increase in both volume and complexity of hearing-related processes related to agreements on the pipeline right-of-way and other detailed route issues.

The NEB is using Alternative Dispute Resolution (ADR) to create faster, more satisfactory resolution of issues for landowners, Indigenous Peoples and companies.

There were 123 individual hearing processes filed for the TMEP Detailed Route application. Using ADR, the NEB mediated 55 meetings between the parties and the company.

Of the detailed route objections that were subsequently withdrawn, 90% were settled outside of formal adjudication processes, through ADR. This outcome shows that interest-based, win/win solutions are achievable.

On other pipeline infrastructure systems, construction and maintenance activity resulted in a high volume of landowner complaints, and in particular, complaints related to Indigenous concerns about the protection of heritage resources. These factors combined presented a challenge for the NEB to meet its commitment to timely processes while still ensuring that stakeholder concerns were heard and carefully considered.

To mitigate this, the NEB broadened the use of tools such as Alternative Dispute Resolution (ADR) and early engagement. ADR is a collection of processes and techniques that can be used to reach resolution of issues as an addition to a traditional regulatory approach. It is collaborative, respectful and considerate of everyone's point of view. The NEB successfully used ADR to work with industry, public and Indigenous people, to understand perspectives and concerns and take action to address them early in the process. This outcome shows that interest-based, win/win solutions are achievable.

The NEB is actively seeking feedback after all hearing processes. The response rate to date has been small, but initial feedback has been encouraging: post-hearing participant results indicate that a majority of respondents felt that the NEB provided opportunities to participate, that hearing documents were clear and transparent, and that they could see their views reflected in the decisions. We made changes last year to our management practices in this area, resulting in an increase in the timeliness of the release of funding decisions. The percentage of applicants who are satisfied with the service provided by the NEB in its Participant Funding Program remains high.

The NEB will continue to refine our processes to ensure that they accessible, fair and transparent, and as we continue to survey our participants, the additional data we collect will be invaluable in shaping that work.

Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2017-18 Actual results	2016-17 Actual results	2015-16 Actual results
Energy adjudication processes are fair.	Percentage of adjudication decisions overturned on judicial appeal related to procedural fairness.	0%	Annually	0%	0%	0%
Energy adjudication processes are timely.	Percentage of adjudication decisions and recommendations that are made within legislated time limits and service standards.	100%	Annually	100%	100%	100%
Energy adjudication processes are transparent.	Percentage of surveyed participants who indicate that adjudication processes are transparent.	75%	Annually	88%	79%	Not available*
Energy adjudication processes are accessible.	Percentage of surveyed participant funding recipients who agree that participant funding enabled their participation in an adjudication process.	90%	Annually	94%	92%	Not available*

\*This indicator is new for 2017-18, as a part of the NEB's transition to the Departmental Results Framework.

Budgetary financial resources (dollars)

2017-18 Main Estimates	2017-18 Planned spending	2017-18 Total authorities available for use	2017-18 Actual spending (authorities used)	2017-18 Difference (Actual spending minus Planned spending)
28,225,875	28,333,982	31,553,311	24,293,849	(4,040,133)

Human resources (full-time equivalents)

2017-18 Planned full-time equivalents	2017-18 Actual full-time equivalents	2017-18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
121.2	125.7	4.5

Financial, human resources and performance information for the National Energy Board's Program Inventory is available in the [GC InfoBase](#).<sup>xxii</sup>

## Safety and Environmental Oversight

### Description

Setting and enforcing regulatory expectations for National Energy Board-regulated companies over the full lifecycle (construction, operation and abandonment) of energy-related activities. These activities pertain to pipelines and related facilities, international power lines, tolls and tariffs, energy exports and imports, and oil and gas exploration and drilling in certain northern and offshore areas of Canada.

### Results

The NEB did not meet its targets in the Core Responsibility of Safety and Environmental Oversight. The number of incidents that [harm people or the environment<sup>xxiii</sup>](#) increased by one in 2017-18, totaling 17 incidents compared to 16 the year before. The biggest increase year over year was in serious injuries, of which there were 7 compared to 4 the year before. All of these injuries involved third-party contractors. In general, the construction activities involve many people, rough terrain and lots of activities involving heavy equipment. As a result, there are more hazards to worker safety during major construction activity in comparison to day-to-day operations.

This trend is of critical importance. Over 2017-18, the NEB increased compliance activity focused on construction, using a range of tools including pre-construction audits for TMEP and [Enbridge Line 3 Replacement Program<sup>xxiv</sup>](#) (Line 3), scheduled and unscheduled inspections on construction sites, increased communication with companies and communities to raise awareness, and outreach activities to ensure compliance with regulatory and specific project condition requirements. It is

### Safety and Environmental Oversight Activity in 2017-18

301 Compliance Verification Activities, including:

- 12 Emergency Management Exercises
- 147 Inspections
- 8 Management System Audits
- 4 Financial Audits

The NEB approaches safety and environmental protection through three main lenses:

- compliance/enforcement
- management systems
- safety culture

The NEB uses data collected from **compliance and enforcement activities** on individual company performance to assess industry-wide trends. This approach then informs a risk-based focus on **management systems** to drive systemic, industry-wide improvement.

A company that has a strong **safety culture** scrutinizes every decision to ensure the risks are managed and harm is prevented. The NEB expects companies to promote a positive safety culture, and we collect analyze and share industry-wide data and information to identify learnings related to safety culture.

At the same time, the NEB continues to emphasize and fully integrate engagement and Indigenous co-monitoring activities with compliance, enforcement, audit processes in our regulatory oversight of major construction projects.

difficult to measure the direct impact these actions had on reducing the number of incidents last year, as it is not possible to quantify the number of incidents that **did not** occur as a result of regulatory oversight and/or intervention. We are of the view that this work makes a real difference, however, and with major project construction set to increase next year, this trend remains a primary concern for the NEB as we head into 2018-19.

“Near-misses” also increased in 2017-18. These are activities undertaken near NEB-regulated pipelines without authorization under the [NEB Damage Prevention Regulations](#)<sup>xxv</sup>, and are officially referred to as unauthorized activities (UAs). They are a leading indicator of areas and activities where harm could occur, and tracking them provides the NEB with additional insight on areas of greater risk so that we can take targeted action. The data also helps target engagement activities to improve public awareness and safe digging, construction, and heavy vehicle activity near or over NEB-regulated pipelines.

Because the number of reported near-misses has increased over the year, the NEB is partnering with other organizations, such as the [Canadian Common Ground Alliance](#)<sup>xxvi</sup>, to orient compliance verification activities by company, by region and by repeat offenders, and take action to reduce the number of near misses that are occurring. Every near-miss is reviewed by NEB staff and the violator is contacted. In particular, the NEB is focusing regulatory actions on repeat violators as they pose a higher risk.

## Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2017-18 Actual results	2016-17 Actual results	2015-16 Actual results
Harm to people or the environment, throughout the lifecycle of energy-related activities, is prevented.	Number of incidents related to National Energy Board-regulated infrastructure that harm people or the environment.	0	Annually	17	16	12
	Percentage change of specific incident types on National Energy Board-regulated infrastructure.	10% decrease	Annually	10% increase	11% increase	5.4% increase
	Percentage change of near misses on National Energy Board-regulated infrastructure.	5% decrease	Annually	16% increase	13% increase	33.3% increase

## Budgetary financial resources (dollars)

2017-18 Main Estimates	2017-18 Planned spending	2017-18 Total authorities available for use	2017-18 Actual spending (authorities used)	2017-18 Difference (Actual spending minus Planned spending)
22,559,815	22,807,608	31,877,647	23,004,346	196,738

## Human resources (full-time equivalents)

2017-18 Planned full-time equivalents	2017-18 Actual full-time equivalents	2017-18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
141.2	124.5	(16.7)

Financial, human resources and performance information for the National Energy Board's Program Inventory is available in the [GC InfoBase](#).

## Energy Information

### Description

Collecting, monitoring, analyzing and publishing information on energy markets and supply, sources of energy, and the safety and security of pipelines and international power lines.

### Results

The NEB plays a vital role in conveying objective and neutral energy information to Canadians and the world. Rapidly changing energy markets and climate policy development have made this information more essential than ever. We also provide Canadians information about pipeline infrastructure and safety, including at the community and regional level, through dedicated portals and data visualization on our website.

Tracking the number of unique external page views of online Energy and Pipeline Information helps us determine how frequently it is accessed. The number of unique page views grew by 12% in 2017-18. Significant viewer gains were achieved by the NEB's new Pipeline Profiles, Provincial Profiles, and data visualizations, along with updates of the well-received [Energy Futures](#)<sup>xxvii</sup> and Canada's Renewable Power Landscape reports.

This is an indicator of the public's appetite for more information about Canada's energy systems, and the NEB's ability to meet that demand creatively and efficiently. We continue to explore new offerings to ensure that the positive contributions we make to Canadian energy information continually evolve and improve.

#### Energy Systems Information products released in 2017-18:

- [Market Snapshots](#) – published weekly
- [Pipeline Profiles](#) – data updated quarterly, plus other periodic updates
- [Canada's Renewable Power Sources](#) (May 2017)
- [Canada's Role in the Global LNG Market](#) (July 2017)
- [Energy Futures](#) (Oct 2017)
- [Duvernay Resource Assessment and Duvernay Shale Economic Resources](#) (Sept and Nov 2017)
- [Canada's Renewable Power Landscape](#) (Dec 2017)
- [Provincial Profiles](#) (Dec 2017)
- [Energy Futures Supplements](#) (January 2017)
- [Various Feature Articles](#) (Maritime's Gas Price Regulation, GHG Emissions from Residential Electricity Consumption, Canadian innovations in the Energy Sector, etc.)
- [Statistics](#) (Updates – ongoing)

## Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2017-18 Actual results	2016-17 Actual results	2015-16 Actual results
Canadians have access to and use energy information for knowledge, research and decision making.	Number of times energy information is accessed.	750,000	Annually	986,347	879, 831	623,278
	Percentage of surveyed web users who agree that energy information is useful for knowledge, research or decision making.	75%	Annually	84%	Not available*	Not available*
Canadians have access to community-specific NEB-regulated infrastructure information.	Increased information specific to National Energy Board-regulated infrastructure in communities.	5	Annually	5	7	3
Canadians have opportunities to collaborate and provide feedback on NEB information products.	Number of opportunities that Canadians have to collaborate and provide feedback on energy information products.	42	Annually	76	Not available*	Not available*

\*This indicator is new for 2017-18, as a part of the NEB's transition to the Departmental Results Framework.



## Budgetary financial resources (dollars)

2017-18 Main Estimates	2017-18 Planned spending	2017-18 Total authorities available for use	2017-18 Actual spending (authorities used)	2017-18 Difference (Actual spending minus Planned spending)
5,365,717	7,289,921	8,311,633	10,444,458	3,154,537

## Human resources (full-time equivalents)

2017-18 Planned full-time equivalents	2017-18 Actual full-time equivalents	2017-18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
41.42	55.5	14.1

Financial, human resources and performance information for the National Energy Board's Program Inventory is available in the [GC InfoBase](#).

## Engagement

### Description

Engaging with stakeholders and Indigenous Peoples on topics within the NEB’s mandate and role, beyond engagement on specific projects.

### Results

We firmly believe that the best way to prevent harm, keep Canadians safe, protect the environment, and prevent market inefficiencies is to listen to what people have to say so that we can make informed decisions and recommendations in the public interest.

#### Engagement Activity in 2017-18:

- Engagement Events: 319
- Participants in NEB Engagement Programs: 4,270
- Cultural Awareness Training by Indigenous Trainers provided to 164 NEB Staff

In 2017-18, the NEB led the establishment of a Municipal Roundtable, with the [Federation of Canadian Municipalities](#)<sup>xxviii</sup> and [Canadian Energy Pipeline Association](#)<sup>xxix</sup>. The goal of the Roundtable is to identify areas of common concern related to pipeline operations or activities, and find solutions that can be applied across the entire country. The NEB also renewed its commitment to the long-standing [Land Matters Group](#)<sup>xxx</sup> (LMG), broadening the scope of the LMG’s work to issues-focused activities in areas of common concern to all landowners.

#### Impact of IAMC:

“This Committee provides First Nations and Metis Peoples an historic opportunity to advise the Federal government and regulator on how to best integrate Indigenous principles and interests into the lifecycle oversight of the project. This is a new way of working together for everyone involved and I look forward to continuing in the spirit of collaboration, learning, and joint fact-finding.”

**Joe Daniels, Line 3 IAMC Indigenous Co-Chair**

An increased emphasis on engagement also reflects a new relationship between the NEB and Indigenous Peoples, based on recognition of rights, respect, co-operation, and partnership. One of the most significant activities for the NEB’s Engagement programs has been supporting the co-development of IAMCs for the TMEP and Line 3 projects.

The IAMCs bring together Indigenous and senior federal representatives to provide input and advice to regulators, and to monitor the construction and operation of the projects. Members have a shared goal of safety and protection of environmental and Indigenous interests in the lands and waters. This initiative represents a foundational change in the way the NEB and the Federal government works with Indigenous Peoples, and aims to develop an enduring and

meaningful relationship with those Indigenous Communities along the projects' corridors, for the entire lifecycle of the projects.

In 2017-18, we conducted significant outreach activity led through our regional offices in Yellowknife, Vancouver and Montreal – in addition to the outreach that we supported all over Canada as part of our engagement programs. Our engagement program activities have been very well-subscribed, and we exceeded our targets in this area significantly in 2017-18. In addition to changing the target for 2018-19 to better reflect our experience in this area, we will also continue to refine and adjust our outreach activities to meet the needs of the communities we serve.

#### Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2017-18 Actual results	2016-17 Actual results	2015-16 Actual results
Stakeholders and Indigenous Peoples share their perspectives and provide feedback regarding the NEB mandate and role.	Number of participants in National Energy Board engagement programs.	600	Annually	4,270	723	Not available*
NEB engagement activities with stakeholders and Indigenous Peoples are meaningful.	Percentage of surveyed stakeholders who engaged with the National Energy Board who indicate that the engagement was meaningful.	75%	Annually	76%	Not available*	Not available*
	Percentage of surveyed Indigenous Peoples who engaged with the National Energy Board who indicate that the engagement was meaningful.	75%	Annually	80%	Not available*	Not available*

\*This indicator is new for 2017-18, as a part of the NEB's transition to the Departmental Results Framework.

## Budgetary financial resources (dollars)

2017-18 Main Estimates	2017-18 Planned spending	2017-18 Total authorities available for use	2017-18 Actual spending (authorities used)	2017-18 Difference (Actual spending minus Planned spending)
2,528,944	2,528,944	4,640,405	4,898,235	2,369,291

## Human resources (full-time equivalents)

2017-18 Planned full-time equivalents	2017-18 Actual full-time equivalents	2017-18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
15.45	24.0	8.5

Financial, human resources and performance information for the National Energy Board's Program Inventory is available in the [GC InfoBase](#).

## Internal Services

### Description

Internal Services are those groups of related [activities and resources that the federal government considers to be services](#)<sup>xxxi</sup> 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.

### Results

The NEB has now completed a full-year cycle under our DRF. Over the course of the year, we have established a Performance Measurement and Evaluation Committee, or PMEC, as a part of our Senior Management Committee. All of our Core Responsibilities and related programs have reported quarterly on their results, and we have integrated those results as a part of our planning, budgeting, performance evaluation and improvement identification, making the NEB's Management System operational at the organizational level.

In addition to robust internal reporting and evaluation implementation, the NEB published its first-ever public Performance Summary in August 2018. This online report is a frank and transparent assessment of the results we are achieving as a regulator, and what we are working to improve on. It signals a new level of transparency and accountability to Canadians for the outcomes we work to achieve.

The NEB has also done a great deal of work towards implementation of an Internal Services Framework. The structure and ownership of each Internal Service is in place, with analysis of mandated indicators and preliminary assessment of program information profiles complete. Our next steps include quarterly reporting of the Internal Services performance results at the senior level.

A key part of our organizational transformation has been ensuring we use data as a critical asset to inform and guide our results. In 2017-18, the NEB developed a comprehensive data management program including policies, principles, strategies, standards and governance, and completed all of the Year One activities in our data management program strategy, including identifying required critical skill sets and competencies, and filling these gaps in resources. The NEB also demonstrated in the 2017-18 Management Accountability Framework assessment that it has the foundational elements of [Open Government](#)<sup>xxxiii</sup> in place. The NEB will continue to move further towards digital program and service delivery and develop an integrated data strategy aligned to offer a consistent view of data across the organization.

The NEB ratified a new Collective Agreement in early 2018. Despite on-going coordination issues with the Government-wide pay system, retroactive and salary increase payments were made within the agreed-upon timeframe, and the NEB Human Resources team continues to support staff with assistance on Phoenix and MyGCHR.

Finally, the NEB has developed an enhanced Departmental Security Plan, which details mitigation activities with all identified risks related to security. We have implemented a quarterly reporting process for security activities, enabling us to ensure that both our staff and our information and data resources receive optimal risk protection.

#### Budgetary financial resources (dollars)

2017-18 Main Estimates	2017-18 Planned spending	2017-18 Total authorities available for use	2017-18 Actual spending (authorities used)	2017-18 Difference (Actual spending minus Planned spending)
18,879,531	18,879,531	22,187,323	31,192,102	12,312,571

#### Human resources (full-time equivalents)

2017-18 Planned full-time equivalents	2017-18 Actual full-time equivalents	2017-18 Difference (Actual full-time equivalents minus Planned full-time equivalents)
133.58	151.6	18.0

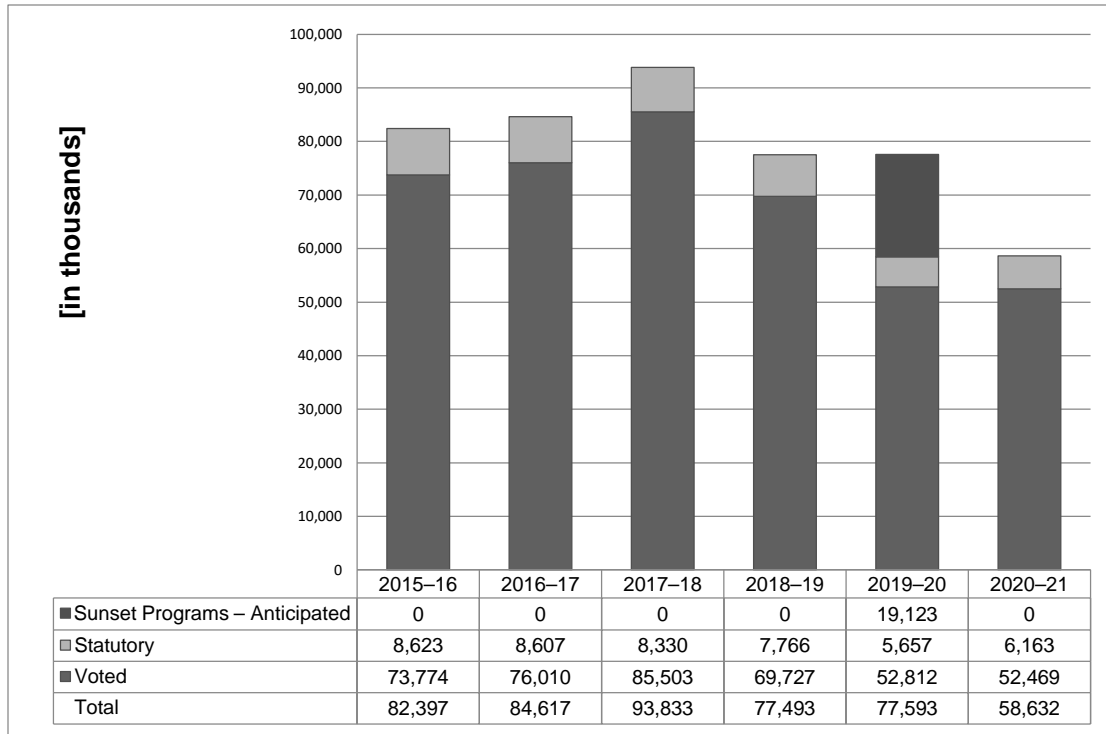
The variance of \$12.3M in Internal Services is primarily due to:

- Wage increase in the collective agreement and retro payments and additional hiring of staff to address departmental priorities (\$5.9M); and,
- Higher than expected Operating and Maintenance expenditures in Information Technology and Security Management (\$3.4M), Information Management (\$0.9M), Communication Services (\$0.8M).

## Analysis of trends in spending and human resources

### Actual expenditures

#### Departmental spending trend graph



Fiscal years 2015-16 to 2017-18 reflect the department’s actual expenditures as reported in the Public Accounts. Fiscal years 2018-19 to 2020-21 represent planned spending.

The overall trend in the graph above illustrates a decrease in spending from 2015-16 to 2020-21 with an increase for 2016-17 and 2017-18. The spending in 2016-17 reflects enhanced safety and oversight activity, including enhanced engagement, announced in Budget 2015. The spending in 2017-18 primarily reflects the increased cost of the collective agreement and retro payments and Budget 2017 Pipeline Safety Lifecycle Oversight.

From 2018-19 to 2019-20, overall departmental spending is planned to increase by \$100,000 which is attributed to a transfer for fiscal years 2017-18 through 2018-19 from the National Energy Board to the Department of Natural Resources to support a contribution for research on promoting a safety culture in regulatory bodies. From 2019-20 to 2020-21, overall departmental spending is planned to decrease by \$19.0M which is attributed to the expiration of temporary (sunsetting) funding. This includes a:

- Decrease of \$13.3M in funding related to Budget 2015 Energy Transportation Infrastructure;
- Decrease of \$5.3M in funding related to Budget 2017 Pipeline Safety Lifecycle Oversight;

- Decrease of \$0.6M in funding related to Budget 2017 Communication and Access to Information Capacity.

The NEB is funded through Parliamentary appropriations. The Government of Canada currently recovers approximately 97% of the appropriation from the industry the Board regulates. All collections from cost recovery invoices are deposited to the account the Receiver General for Canada and credited to the Consolidate Revenue Fund.

Pipeline and power line companies regulated by the NEB (authorized under the NEB Act) are subject to cost recovery. Applications before the Board for new facilities are not subject to cost recovery until the facility is placed into service, unless the company does not have any prior facilities regulated by the Board in which case a one-time levy is assessed following the authorization of construction.

Cost recovery is carried out on a calendar year basis.

Budgetary performance summary for Core Responsibilities and Internal Services (dollars)

Core Responsibilities and Internal Services	2017-18 Main Estimates	2017-18 Planned spending	2018-19 Planned spending	2019-20 Planned spending	2017-18 Total authorities available for use	2017-18 Actual spending (authorities used)	2016-17 Actual spending (authorities used)	2015-16 Actual spending (authorities used)
Energy Regulation*	0	0	0	0	0	0	40,961,325	45,842,289
Energy Adjudication	28,225,875	28,333,982	20,000,175	20,000,175	31,553,311	24,293,849	0	0
Safety and Environment Oversight	22,559,815	22,807,608	26,151,718	26,151,718	31,877,647	23,004,346	0	0
Energy Information	5,365,717	7,289,921	4,931,394	4,931,394	8,311,633	10,444,458	6,125,216	7,190,780
Engagement	3,727,165	2,528,944	6,462,601	6,462,601	4,640,405	4,898,235	0	0
<b>Subtotal</b>	<b>59,878,572</b>	<b>60,960,455</b>	<b>57,545,888</b>	<b>57,545,888</b>	<b>76,382,996</b>	<b>62,640,888</b>	<b>47,086,541</b>	<b>53,033,069</b>
Internal Services	19,961,413	18,879,531	19,946,812	20,046,812	22,187,323	31,192,102	37,530,277	29,363,499
<b>Total</b>	<b>79,839,985</b>	<b>79,839,986</b>	<b>77,492,700</b>	<b>77,592,700</b>	<b>98,570,319</b>	<b>93,832,990</b>	<b>84,616,818</b>	<b>82,396,568</b>

\*The NEB transitioned to a new Departmental Results Framework structure for 2017-18. Engagement Spending and FTEs prior to 2017-18 were tracked as a part of the NEB's other programs. Energy Adjudication and Safety and Environmental Oversight were tracked as a part of Energy Regulation.



### **Variance between 2017-18 Planned Spending and 2017-18 Actual Spending**

The NEB's Actual Spending for fiscal year 2017-18 was \$14.0M higher than the Planned Spending. The increase is primarily due to the following:

- an increase of \$6.6M for the wage increase in the collective agreement and retro payments;
- an Operating Budget Carry Forward of \$3.8M;
- an increase of \$7.3M in Supplementary Estimates primarily for Pipeline Safety Lifecycle Oversight (Budget 2017);
- a decrease of \$2.9M in participant funding for the Energy East hearings.

### **Variance between 2016-17 Actual Spending and 2015-16 Actual Spending**

The NEB's Actual Spending for 2016-17 was \$2.2M higher than the prior fiscal year primarily due to increased spending on activities supported by temporary funding announced for safety and enhanced public engagement activities.

### **Variance between 2017-18 Actual Spending and 2016-17 Actual Spending**

The NEB's Actual Spending for fiscal year 2017-18 was \$9.2M higher than the prior fiscal year due, in large part, to the wage increase in the collective agreement and retro payments, and the Pipeline Safety Lifecycle Oversight (Budget 2017).

## Actual human resources

Human resources summary for Core Responsibilities and Internal Services  
(full-time equivalents)

Core Responsibilities and Internal Services	2015-16 Actual	2016-17 Actual	2017-18 Planned	2017-18 Actual	2018-19 Planned	2019-20 Planned
Energy Regulation*	251.5	276.7	0	0	0	0
Energy Adjudication	0	0	121.2	125.7	118.3	118.3
Safety and Environment Oversight	0	0	141.2	124.5	143.2	143.2
Energy Information	48.1	37.3	41.4	55.5	36.9	36.9
Engagement	0	0	15.5	24.0	23.0	23.0
<b>Subtotal</b>	<b>299.6</b>	<b>314.0</b>	<b>319.3</b>	<b>329.7</b>	<b>321.4</b>	<b>321.4</b>
Internal Services	157.9	160.5	133.6	151.6	143.1	143.1
<b>Total</b>	<b>457.5</b>	<b>474.5</b>	<b>452.9</b>	<b>481.3</b>	<b>464.5</b>	<b>464.5</b>

\*The NEB transitioned to a new Departmental Results Framework structure for 2017-18. Engagement FTEs prior to 2017-18 were tracked as a part of the NEB's other programs. Energy Adjudication and Safety and Environmental Oversight were tracked as a part of Energy Regulation.

## Expenditures by vote

For information on the NEB's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2017–2018](#).<sup>xxxiii</sup>

## Government of Canada spending and activities

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

## Financial statements

The NEB's financial statements for the year ended March 31, 2018, are available on the [NEB website](#).<sup>xxxiv</sup>

## Financial statements highlights

The National Energy Board operates on a full accrual accounting basis according to Treasury Board's policy for reporting based on generally accepted accounting principles (GAAP). The tables below provide highlights from the NEB's Statement of Operations and Statement of Financial Position, as presented in its 2017-18 financial statements. As such, differences do exist

between these tables and those presented in other sections of the Departmental Results Report, which are prepared on the modified cash basis of accounting.

Condensed Statement of Operations for the year ended March 31, 2018 (dollars)

Financial information	2017-18 Planned results	2017-18 Actual results	2016-17 Actual results	Difference (2017-18 Actual results minus 2017-18 Planned results)	Difference (2017-18 Actual results minus 2016-17 Actual results)
Total expenses	96,328,839	107,121,711	97,987,071	10,792,872	9,134,640
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	96,328,839	107,121,711	97,987,071	10,792,872	9,134,640

**Difference between 2017-18 actual and 2017-18 planned**

The department's actual net cost of operations before Government funding and transfer in 2017-18 was \$10.79M more than the planned results for the same fiscal year. The net increase is primarily due to an increase of \$5.2M related to retroactive payments as a result of collective agreement renewal, an increase of \$1.9M related to Employee Benefit Plan, an increase of \$6.3M related to Budget 2017, along with a decrease of \$2.9M related to Participation Funding Program from Budget 2016.

**Difference between 2017-18 actual and 2016-17 actual**

The department's actual net cost of operations before Government funding and transfer in 2017-18 was \$9.1M more than the previous year. The increase is primarily due to an increase of \$1.8M in Participate Funding Program (related to Energy East); an increase of \$3.9M in retroactive payments as a result of collective agreement renewal, an increase of \$1.0M related to severance and leave allowance provision; an increase of \$1.5M in professional services mainly related to data visualization, applications and a business process review; and, an increase of \$0.7M amortization mainly related to IT hardware and software.

## Condensed Statement of Financial Position as of March 31, 2018 (dollars)

Financial Information	2017-18	2016-17	Difference (2017-18 minus 2016-17)
Total net liabilities	34,687,036	34,259,052	427,984
Total net financial assets	24,924,941	22,656,539	2,268,402
Departmental net debt	9,762,095	11,602,513	(1,840,418)
Total non-financial assets	20,733,080	22,793,552	(2,060,472)
Departmental net financial position	10,970,985	11,191,039	(220,054)

Total net financial assets has an increase of \$2.3M compared to 2016-17. The increases are mainly attributed to \$3.9M related to retroactive payment accrual and a \$1M inter-government transaction due to year end employee benefit plan payable set up; these increases were offset by a decrease of \$2.0M related to billing adjustment and a decrease of \$0.5M mainly related to OGD accounts payable. Total non-financial assets have a decrease of \$2.1M compared to 2016-17, primarily due to net decrease of leasehold improvement.

# Supplementary information

## Corporate information

### Organizational profile

**Appropriate minister:** Amarjeet Sohi

**Institutional head:** C. Peter Watson, P.Eng., FCAE

**Ministerial portfolio:** Natural Resources

**Enabling instrument:** [National Energy Board Act](#) (NEB Act)

**Year of incorporation / commencement:** 1959

**Other:**

Headquarters - Calgary, Alberta

Regional Offices - Montréal, Québec

Vancouver, British Columbia

Yellowknife, Northwest Territories

### Reporting framework

The NEB’s Departmental Results Framework and Program Inventory of record for 2017-18 are shown below.

	Core Responsibility 1: Energy Adjudication	Core Responsibility 2: Safety and Environment Oversight	Core Responsibility 3: Energy Information	Core Responsibility 4: Engagement		
Departmental Results Framework	<p><b>Departmental Result:</b> Energy Adjudication processes are fair.</p> <p><b>Indicator:</b> Percentage of adjudication decisions overturned on judicial appeal related to procedural fairness.</p>	<p><b>Departmental Result:</b> Harm to people or the environment, throughout the lifecycle of energy-related activities, is prevented.</p> <p><b>Indicator:</b> Number of incidents related to National Energy Board-regulated infrastructure that harm people or the environment.</p> <p><b>Indicator:</b> Percentage change of specific incident types on National Energy Board-regulated infrastructure.</p> <p><b>Indicator:</b> Percentage change of near misses on National Energy Board-regulated infrastructure.</p>	<p><b>Departmental Result:</b> Canadians access and use energy information for knowledge, research or decision-making.</p> <p><b>Indicator:</b> Number of times the energy information is accessed.</p> <p><b>Indicator:</b> Percentage of surveyed web users who agree that energy information is useful for knowledge, research or decision-making.</p>	<p><b>Departmental Result:</b> Stakeholders and Indigenous Peoples share their perspectives and provide feedback regarding the National Energy Board mandate and role.</p> <p><b>Indicator:</b> Number of participants in National Energy Board engagement programs.</p>	Internal Services	
	<p><b>Departmental Result:</b> Energy Adjudication processes are timely.</p> <p><b>Indicator:</b> Percentage of adjudication decisions and recommendations that are made within legislated time limits and service standards.</p>		<p><b>Indicator:</b> Increased information specific to National Energy Board-regulated infrastructure in communities.</p>			
	<p><b>Departmental Result:</b> Energy Adjudication processes are transparent.</p> <p><b>Indicator:</b> Percentage of surveyed participants who indicate that adjudication processes are transparent.</p>		<p><b>Departmental Result:</b> Canadians have access to community-specific National Energy Board-regulated infrastructure information.</p>			<p><b>Departmental Result:</b> National Energy Board engagement activities with stakeholders and Indigenous Peoples are meaningful.</p>
	<p><b>Departmental Result:</b> Energy Adjudication processes are accessible.</p> <p><b>Indicator:</b> Percentage of surveyed participant funding recipients who agree that participant funding enabled their participation in an adjudication process.</p>		<p><b>Departmental Result:</b> Canadians have opportunities to collaborate and provide feedback on National Energy Board information products.</p> <p><b>Indicator:</b> Number of opportunities that Canadians have to collaborate and provide feedback on energy information products.</p>			<p><b>Indicator:</b> Percentage of surveyed Indigenous Peoples who engaged with the National Energy Board who indicate that the engagement was meaningful.</p>
Program Inventory	<p>Program: Infrastructure, Tolls and Export Applications</p>	<p>Program: Company Performance</p>	<p>Program: Energy System Information</p>	<p>Program: Stakeholder Engagement</p>		
	<p>Program: Participant Funding</p>	<p>Program: Management System and Industry Performance</p>	<p>Program: Pipeline Information</p>	<p>Program: Indigenous Engagement</p>		
		<p>Program: Emergency Management</p>				
		<p>Program: Regulatory Framework</p>				

Concordance between the Departmental Results Framework and the Program Inventory, 2017-18, and the Program Alignment Architecture, 2016-17

2017-18 Core Responsibilities and Program Inventory	2016-17 Lowest-level program of the Program Alignment Architecture	Percentage of lowest-level Program Alignment Architecture program (dollars) corresponding to the Program in the Program Inventory
<b>Core Responsibility 1: Energy Adjudication</b>		
1.1 Infrastructure, Tolls and Export Applications	1.1.1 Sub-Program: Energy Regulation Implementation, Compliance Monitoring and Enforcement	44%
1.2 Participant Funding	1.1.2 Sub-Program: Energy Regulation Implementation, Compliance Monitoring and Enforcement	12%
<b>Core Responsibility 2: Safety and Environment Oversight</b>		
2.1 Company Performance	1.1.2 Sub-Program: Energy Regulation Implementation, Compliance Monitoring and Enforcement	29%
2.2 Management System and Industry Performance	1.1.2 Sub-Program: Energy Regulation Implementation, Compliance Monitoring and Enforcement	7%
2.3 Emergency Management	1.1.2 Sub-Program: Energy Regulation Implementation, Compliance Monitoring and Enforcement	3%
Program 2.4 Regulatory Framework	1.1.1 Sub-Program: Energy Regulation Development	100%
<b>Core Responsibility 3: Energy Information</b>		
Program 3.1: Energy System Information	1.2 Program: Energy Information	82%
Program 3.2: Pipeline Information	1.2 Program: Energy Information	18%
<b>Core Responsibility 4: Engagement</b>		
Program 4.1: Stakeholder Engagement	1.1.2 Sub-Program: Energy Regulation Implementation, Compliance Monitoring and Enforcement	3%
Program 4.2: Indigenous Engagement	1.1.2 Sub-Program: Energy Regulation Implementation, Compliance Monitoring and Enforcement	2%
<b>Internal Services</b>	<b>Internal Services</b>	100%

## Supporting information on the Program Inventory

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

## Supplementary information tables

The following supplementary information tables are available on the [NEB’s website](#):

- ▶ Departmental Sustainable Development Strategy
- ▶ Evaluations
- ▶ Internal audits
- ▶ Response to parliamentary committees and external audits

## 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>xxxv</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.

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## 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 three-year period. Departmental Plans are tabled in Parliament each spring.

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

A Departmental Result represents the 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)**

Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

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

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

### **evaluation (évaluation)**

In the Government of Canada, the systematic and neutral collection and analysis of evidence to judge merit, worth or value. Evaluation informs decision making, improvements, innovation and accountability. Evaluations typically focus on programs, policies and priorities and examine questions related to relevance, effectiveness and efficiency. Depending on user needs, however,

evaluations can also examine other units, themes and issues, including alternatives to existing interventions. Evaluations generally employ social science research methods.

**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 approach used to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives. The “plus” in GBA+ acknowledges that the gender-based analysis goes beyond biological (sex) and socio-cultural (gender) differences. We all have multiple identity factors that intersect to make us who we are; GBA+ considers many other identity factors, such as race, ethnicity, religion, age, and mental or physical disability. Examples of GBA+ processes include using data disaggregated by sex, gender and other intersecting identity factors in performance analysis, and identifying any impacts of the program on diverse groups of people, with a view to adjusting these initiatives to make them more inclusive.

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

For the purpose of the 2017-18 Departmental Results Report, 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 where two or more departments 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 up to the expected result.

**planned spending (dépenses prévues)**

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures 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.

**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 Strategic Outcome(s) or Departmental Results.

**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 Inventory (répertoire des programmes)**

Identifies all of the department's programs and describes how resources are organized to contribute to the department's Core Responsibilities and Results.

**result (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.

**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.

## Endnotes

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- i NEB Departmental Results Framework, <http://www.neb-one.gc.ca/bts/whwr/gvrnnc/dprtmntlrsltfrmwrk/index-eng.html>
- ii Trans Mountain Expansion, <http://www.neb-one.gc.ca/pplctnflng/mjrpp/trnsmntnxpnsn/index-eng.html>
- iii Minister's Mandate letter, <https://pm.gc.ca/eng/minister-natural-resources-mandate-letter>
- iv Pipeline Profiles, <http://www.neb-one.gc.ca/nrg/ntgrtd/pplnprtl/pplnprfls/index-eng.html>
- v Energy Futures 2017, <https://apps2.neb-one.gc.ca/dvs/?page=landingPage&language=en>
- vi Renewable Power Landscape, <http://www.neb-one.gc.ca/nrg/sttstc/lctrct/rprt/2017cndrnwblpwr/pblctn-nfrmtn-dwnlds-eng.html>
- vii Experimentation direction for Deputy Heads, <https://www.canada.ca/en/innovation-hub/services/reports-resources/experimentation-direction-deputy-heads.html>
- viii Trans Mountain interactive conditions tool, <https://www.neb-one.gc.ca/pplctnflng/mjrpp/trnsmntnxpnsn/cndtnstl-eng.html>
- ix National Energy Board Act, <http://laws-lois.justice.gc.ca/eng/acts/N-7/page-1.html>
- x Canadian Oil and Gas Operations Act, <http://laws-lois.justice.gc.ca/eng/acts/O-7/page-1.html>
- xi Canadian Petroleum Resources Act, <http://laws-lois.justice.gc.ca/eng/acts/C-8.5/page-1.html>
- xii NWT Oil and Gas Operations Act, <https://www.justice.gov.nt.ca/en/files/legislation/oil-and-gas-operations/oil-and-gas-operations.a.pdf>
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- xiv Canadian Environmental Assessment Act, 2012, <http://laws-lois.justice.gc.ca/eng/acts/c-15.21/page-1.html>
- xv Mackenzie Valley Resource Management Act, <http://laws-lois.justice.gc.ca/eng/acts/m-0.2/page-1.html>
- xvi Inuvialuit Final Agreement, <https://www.aadnc-aandc.gc.ca/eng/1100100027701/1100100027705>
- xvii Nunavut Land Claims Agreement, <http://nlca.tunnngavik.com/?lang=en>
- xviii Canada Labour Code, <http://laws-lois.justice.gc.ca/eng/acts/l-2/FullText.html>
- xix Bill C-69, <http://www.parl.ca/DocumentViewer/en/42-1/bill/C-69/first-reading>
- xx Government Security Policy, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=16578>
- xxi NEB/ GIC Court Challenges, <http://www.neb-one.gc.ca/pplctnflng/crt/index-eng.html>
- xxii GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxiii NEB Safety performance portal, <http://www.neb-one.gc.ca/sftnvrnmnt/sft/dshbrd/index-eng.html>
- xxiv Enbridge Line 3, <http://www.neb-one.gc.ca/pplctnflng/mjrpp/ln3rplcmnt/index-eng.html>
- xxv NEB Damage Prevention Framework, <http://www.neb-one.gc.ca/sftnvrnmnt/dmgprvntn/frmwrk/index-eng.html>
- xxvi Common Ground Alliance, <http://www.canadiancga.com/>
- xxvii Canada's Energy Future, <http://www.neb-one.gc.ca/nrg/ntgrtd/ft/index-eng.html>
- xxviii Federation of Canadian Municipalities, <https://fcm.ca/home.htm>
- xxix CEPA, <https://cepa.com/en/>
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- xxxi Internal Services, <http://intranet.canada.ca/wg-tg/gf-fg/mrrs-sgrr/about-apropos/instructions-consignes/rrise-sierc-eng.asp>
- xxxii Open Government, <https://open.canada.ca/en>
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- xxxv Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>