

National Energy Board

2017 to 2018

Fees Report

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

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

Canada

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Message from the Chair and CEO

On behalf of the National Energy Board, I am pleased to present the 2017 to 2018 Report on Fees.

On June 22, 2017, the [Service Fees Act](#)ⁱ received royal assent, thereby repealing the [User Fees Act](#)ⁱⁱ.

The Service Fees Act introduces a modern legislative framework that enables cost-effective delivery of services and, through enhanced reporting to Parliament, improved transparency and oversight. The act provides for:

- a streamlined approach to consultation and the approval of new or modified fees
- a requirement for services to have service standards and reporting against these standards, along with a policy to remit fees to fee payers when standards are not met
- an automatic annual fee adjustment by the Consumer Price Index (CPI) to ensure that fees keep pace with inflation
- annual detailed reporting to Parliament in order to increase transparency

This 2017 to 2018 Fees Report is the first report to be prepared under the Service Fees Act. The report includes new information such as a detailed listing of all fees along with future year fee amounts. Additional fee information will be included starting next fiscal year, once the National Energy Board fully transitions to the Service Fees Act regime.

I welcome the increased transparency and oversight that the Service Fees Act's reporting regime embodies, and I am fully committed to transitioning my department to this modern framework.

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

General fees information

The tables that follow provide information on each category of fees, including:

- the name of the fee category
- the date that the fee (or fee category) was introduced and last amended (if applicable)
- service standards
- performance results against these standards
- financial information regarding total costs, total revenues and remissions

In addition to the information presented by fee category, there is a summary of the financial information for all fees as well as a listing of fees under the department's authority. This listing includes the existing fee dollar amounts and the adjusted dollar fee amount for a future year.

General and financial information by fee category

General information

Fee category	Regulatory fees charged for the cost of NEB's operations.
Fee-setting authority	National Energy Board Act, section 24.1 National Energy Board Cost Recovery Regulations, sections 4(1) to 4(5)
Year introduced	1991
Year last amended	2011
Service standard	<ol style="list-style-type: none"> 1. Issue information package with preliminary estimated billing information (September 30) 2. Receive applications for relief under Sec 4.1 (October 31) 3. Issue (December 31) final estimated billing for coming year reflecting: <ul style="list-style-type: none"> · adjustments arising from differences between estimates and actuals from preceding year · reallocations arising from approved applications for relief 4. During the next year, issue quarterly invoices to large companies and single invoice at mid-year to small and intermediate companies based on estimated fees.
Performance results	Satisfied
Other information	n/a

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Financial information (dollars)

2016 to 2017 Revenue	2017 to 2018 Revenue	2017 to 2018 Cost*	2017 to 2018 Remissions†
90,274,000	103,262,000	107,122,000	n/a

* The amount includes direct and indirect costs, where such costs are identifiable and material.

† A remission is a partial or full return of a fee paid. Under the Service Fees Act, departments are required to develop policies that determine when fees will be remitted to fee payers should service standards not be met. The requirement for departments to remit is anticipated to come into effect on March 31, 2020. This effective date allows departments time to develop remissions policies and adjust service standard tracking and remittance systems. During fiscal year 2017 to 2018, some departments may have issued remissions, in accordance with the authority of their enabling legislation or regulation, as opposed to the authority given by the Service Fees Act. It is remissions issued under enabling legislations or regulations that are shown above.

General information

Fee category	Fees charged for the issuance of operating licenses under the Canada Oil and Gas Operations Act (COGO Act).
Fee-setting authority	Canada Oil and Gas Operations Act, section 5(1)(a); Canada Oil and Gas Operations Regulations, section 3(2)(d)
Year introduced	1985
Year last amended	1992
Service standard	The issuance of operating licenses under the Canada Oil and Gas Operations Act (COGO Act) does not have an associated service standard.
Performance results	n/a
Other information	<p>On April 1, 2014, the Government of the Northwest Territories became responsible for managing public land, water and resources in the NWT. The NEB retained jurisdiction for the offshore (Beaufort Sea), Inuvialuit Settlement Region and the Norman Wells Proven Area.</p> <p>On October 4, 2018, the Government of Canada announced next steps in the future of Arctic oil and gas development. Specifically, the Government of Canada will freeze the terms of the existing licenses in the Arctic offshore to preserve existing rights, remit the balance of any financial deposit related to licenses to affected license holders and suspend any oil and gas activities for the duration of the moratorium. NEB is working closely with Crown-Indigenous Relations and Northern Affairs Canada (CIRNA) and Natural Resources Canada on this 5-year review; however, there are currently no plans to adjust the fees as part of this work.</p>

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Financial information (dollars)

2016 to 2017 Revenue	2017 to 2018 Revenue	2017 to 2018 Cost*	2017 to 2018 Remissions†
50	500	1,355,504	Not applicable

* The amount includes direct and indirect costs, where such costs are identifiable and material.

† A remission is a partial or full return of a fee paid. Under the Service Fees Act, departments are required to develop policies that determine when fees will be remitted to fee payers should service standards not be met. The requirement for departments to remit is anticipated to come into effect on March 31, 2020. This effective date allows departments time to develop remissions policies and adjust service standard tracking and remittance systems. During fiscal year 2017 to 2018, some departments may have issued remissions, in accordance with the authority of their enabling legislation or regulation, as opposed to the authority given by the Service Fees Act. It is remissions issued under enabling legislations or regulations that are shown above.

General information

Fee category	Fees for processing requests filed under the Access to Information Act
Fee-setting authority	Access to Information Actⁱⁱⁱ
Year introduced	1983
Year last amended	2018
Service standard	A response is provided within 30 days following receipt of a request; the response time may be extended under section 9 of the Access to Information Act.
Performance results	The department closed 147 formal access to information requests during 2017-18. Of those requests, 100 were closed within the legislated timeframes, including 52 closed within 30 days of receipt. The remaining 47 requests were completed after the legislated time frame had expired.
Other information	Under the Access to Information Act, fees under \$25 may be waived when deemed to be in the public interest. Fees waived during 2017 to 2018 totaled \$55.

Financial information (dollars)

2016 to 2017 Revenue	2017 to 2018 Revenue	2017 to 2018 Cost*	2017 to 2018 Remissions†
840	430	531,396	Not applicable

* The amount includes direct and indirect costs, where such costs are identifiable and material.

† A remission is a partial or full return of a fee paid. Under the Service Fees Act, departments are required to develop policies that determine when fees will be remitted to fee payers should service standards not be met. The requirement for departments to remit is anticipated to come into effect on March 31, 2020. This effective date allows departments time to develop remissions policies and adjust service standard tracking and remittance systems. During fiscal year 2017 to 2018, some departments may have issued remissions, in accordance with the authority of their enabling legislation or regulation, as opposed to the authority given by the Service Fees Act. It is remissions issued under enabling legislations or regulations that are shown above.

Financial totals for all fee categories

Total revenues, cost and remissions (dollars)

2016–17 Total revenue	2017–18 Total revenue	2017–18 Total cost	2017–18 Total remissions
90,274,890	103,262,930	107,121,711	Not applicable

Fees under the department's authority

Fee amounts for 2017 to 2018, 2019 to 2020, and a future fiscal year, as applicable (dollars)

Name of fee	2017 to 2018 Fee amount	2019 to 2020 Adjusted fee amount*	Future fee amount and fiscal year†
National Energy Board Cost Recovery	Fees are based on formulas that can be found at the following website: Cost Recovery Charges^{iv}	Fees are based on formulas that can be found at the following website: Cost Recovery Charges	Not applicable.
Fees charged for the issuance of operating licenses under the Canada Oil and Gas Operations Act (COGO Act).	25	25.55	Not applicable.

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* Fees are adjusted annually in one of two ways: (1) Under the Service Fees Act, fees are adjusted in each fiscal year by the percentage change over 12 months in the April All-Items Consumer Price Index for Canada, as published by Statistics Canada for the previous fiscal year. The Consumer Price Index rate for this report is 2.2%. (2) The fee is subject to a periodic adjustment at a predetermined rate, in accordance with another authority in legislation or regulation.

† The “Future fee amount and fiscal year” is the new amount of the fee, in a future fiscal year other than 2019 to 2020, adjusted by a predetermined rate, in accordance with the authority in legislation or regulation.

Endnotes

ⁱ Service Fees Act, <https://laws-lois.justice.gc.ca/eng/acts/S-8.4/index.html>

ⁱⁱ User Fees Act, <https://laws-lois.justice.gc.ca/eng/acts/U-3.7/20040331/P1TT3xt3.html>

ⁱⁱⁱ Access to Information Act, <https://laws-lois.justice.gc.ca/eng/acts/A-1/index.html>

^{iv} NEB Cost Recovery Regulations, <https://laws-lois.justice.gc.ca/eng/regulations/SOR-91-7/FullText.html>