

Northern Pipeline Agency

2020-21

Departmental Plan

Original signed by:

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

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From the Commissioner

It is my pleasure to present the 2020-21 Departmental Plan for the Northern Pipeline Agency (the Agency).

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



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

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

To align with the reduction in the AHGP project activities in recent years, the Agency has scaled down its operations to a minimal level while continuing to fulfill Canada's ongoing obligations as set out in the Act. In 2019-2020, three years of contingency funding was identified for the Agency to undertake Crown consultations and capacity building with directly affected Indigenous peoples in the event that an extension of the easement agreement be pursued by the proponent. For 2020-21, this funding would enable the Agency to ramp-up activities should there be a need to carry out work under the Act. During this time, the Agency will also respond to any incoming inquiries from other government agencies, Indigenous peoples and the public.

Christy Tremblay
Commissioner

Plans at a glance

Planned financial resources: \$1,083,120

Who is involved? 4 Full Time Equivalents (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 2020-21, the Agency has prepared itself to ramp up activities in response to the potential need to carry out work expected over the next three year period.

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

Planned results and resources, and key risks

This section contains detailed information on the department's planned results and resources for its single program. It also contains information on key risks related to achieving those results.

Program

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. For 2020-21, the Agency remains prepared to ramp up activities in response to a potential need to carry out work expected on the AHGP Project.

Experimentation

The Agency has not planned any experimentation, as the Agency has scaled down its operations to a minimal level.

Key risk(s)

In May 2012, Foothills notified the Agency that no regulatory filings were planned on the AHGP for now and of their intentions to maintain the AHGP project assets in Canada.

Foothills/TC Energy informed the Agency in February 2013 that no further work is planned on the AHGP and that it will await further commercial interest before recommencing its efforts.

The challenge before the Agency is to preserve the progress and outcomes achieved in recent years to deliver an efficient and effective regulatory review framework of updated environmental, socio-economic and technical information which takes into account changes since the Act came into force and the pipeline was certificated in the late 1970s. Failure to be positioned for timely preparations, should the project be resumed, could jeopardize the Government of Canada's performance of its responsibilities under the Act.

Planned results

Departmental result	Departmental result indicator	Target	Date to achieve target	2016–17 actual result	2017–18 actual result	2018–19 actual result
The Agency will maintain the appropriate minimum level of preparation activities for a regulatory framework, so as to remain prepared to ramp up quickly to effectively regulate and facilitate the planning and construction of the pipeline should the project proceed.	The Agency will respond to company and public correspondence within 15 business days of receipt.	80%	Annual	100%	100%	100%

In 2018-19 the Agency received only one request from the public.

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

Planned budgetary financial resources (dollars)

2020–21 budgetary spending (as indicated in Main Estimates)	2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
1,083,120	1,083,120	1,305,630	1,305,630

For 2020-21, the Agency's planned spending in the amount of \$1,083,120 is mainly attributed to the potential need for the Agency to ramp up quickly and commence increased activities in response to the AHGP project. While forecasts for 2021-22 and 2022-23 continue to reflect an increased level of planned spending, these forecasts will be adjusted as necessary to reflect a funding level commensurate with the Agency's anticipated operational requirements.

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

Planned human resources

2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
4	4	4

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

Internal Services: planned results

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 services that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. These services are:

- ▶ Management and Oversight Services
- ▶ Communications Services
- ▶ Legal Services
- ▶ Human Resources Management Services
- ▶ Financial Management Services
- ▶ Information Management Services
- ▶ Information Technology Services
- ▶ Real Property Management Services
- ▶ Materiel Management Services
- ▶ Acquisition Management Services

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 Canada Energy Regulator, Natural Resources Canada and Shared Services Canada, and expenditures for Program and internal services through these agreements are recorded as Program spending.

Planned budgetary financial resources for Internal Services

2020–21 budgetary spending (as indicated in Main Estimates)	2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
0	0	0	0

Planned human resources for Internal Services

2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
0	0	0

Spending and human resources

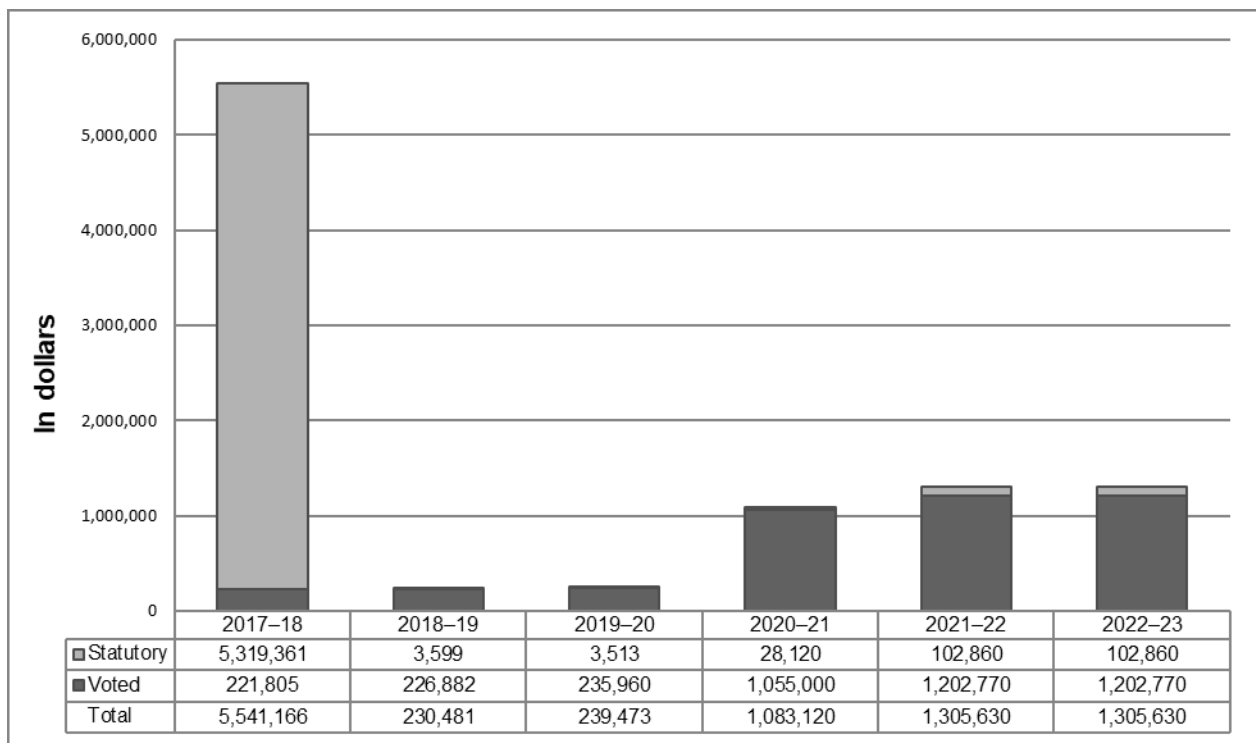
This section provides an overview of the department’s planned spending and human resources for the next three consecutive fiscal years, and compares planned spending for the upcoming year with the current and previous years’ actual spending.

Planned spending

Departmental spending 2017–18 to 2022–23

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

Departmental Spending Trend Graph



The Agency’s spending trend graph is a reflection of the Agency’s past and forecasted operational requirements. In the 2010-11 Main Estimates and through Budget 2011, the Agency received new funding to support the development of the AHGP given Foothill’s decision at the 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 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 2017-18 to 2022-23). For 2020-21, the Agency’s planned spending in the

amount of \$1,083,120 is mainly attributed to the potential need for the Agency to ramp up quickly and commence increased activities in response to the AHGP project. While forecasts for 2021-22 and 2022-23 continue to reflect an increased level of planned spending, these forecasts will be adjusted as necessary to reflect a funding level commensurate with the Agency's anticipated operational requirements.

Budgetary planning summary for Programs and Internal Services (dollars)

The following table shows actual, forecast and planned spending for the Agency's single program and to Internal Services for the years relevant to the current planning year.

Programs and Internal Services	2017–18 expenditures	2018–19 expenditures	2019–20 forecast spending	2020–21 budgetary spending (as indicated in Main Estimates)	2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
Oversee and regulate the planning and construction of the Canadian portion of the AHGP Project.	5,541,166	230,481	239,473	1,083,120	1,083,120	1,305,630	1,305,630
Subtotal	5,541,166	230,481	239,473	1,083,120	1,083,120	1,305,630	1,305,630
Internal Services	0	0	0	0	0	0	0
Total	5,541,166	230,481	239,473	1,083,120	1,083,120	1,305,630	1,305,630

For 2020-21, the Agency's planned spending in the amount of \$1,083,120 is mainly attributed to the potential need for the Agency to ramp up quickly and commence increased activities in response to the AHGP project. While forecasts for 2021-22 and 2022-23 continue to reflect an increased level of planned spending, these forecasts will be adjusted as necessary to reflect a funding level commensurate with the Agency's anticipated operational requirements.

Planned human resources

The following table shows actual, forecast and planned full-time equivalents (FTEs) for the single program in the Agency's reporting framework and to Internal Services for the years relevant to the current planning year.

Human resources planning summary for program and Internal Services

Program responsibilities and Internal Services	2017–18 actual full-time equivalents	2018–19 actual full-time equivalents	2019–20 forecast full-time equivalents	2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project.	1	1	1	4	4	4
Subtotal	1	1	1	4	4	4
Internal Services	0	0	0	0	0	0
Total	1	1	1	4	4	4

For 2020-21, the Agency's planned human resources in the amount of four FTEs is mainly attributed to the potential need for the Agency to ramp up quickly and commence increased activities in response to the AHGP project. While forecasts for 2021-22 and 2022-23 continue to reflect an increased level of planned human resources, these forecasts will be adjusted as necessary to reflect a level commensurate with the Agency's anticipated operational requirements.

Estimates by vote

Information on the Agency's organizational appropriations is available in the [2020–21 Main Estimates](#).^{iv}

Condensed future-oriented statement of operations

The condensed future-oriented statement of operations provides an overview of the Agency's operations for 2019–20 to 2020–21.

The amounts for forecast and planned results in this statement of operations were prepared on an accrual basis. The amounts for forecast and planned spending presented in other sections of the Departmental Plan were prepared on an expenditure basis. Amounts may therefore 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](#).^v

Condensed future-oriented statement of operations for the year ending
March 31, 2021 (dollars)

Financial information	2019–20 forecast results	2020–21 planned results	Difference (2020–21 planned results minus 2019–20 forecast results)
Total expenses	244,244	1,087,890	843,646
Total net revenues	0	0	0
Net cost of operations before government funding and transfers	244,244	1,087,890	843,646

To align with the reduction in the AHGP project activities, the Agency scaled down its operations while continuing to fulfill Canada's ongoing obligations as set out in the Act. For 2020-21, the Agency's increase is mainly attributed to the potential need for the Agency to ramp up quickly and commence increased activities in response to the AHGP project. During this time, the Agency continues to respond to any incoming inquiries from other government agencies, Indigenous peoples and the public.

Corporate information

Organizational profile

Appropriate minister(s): The Honourable Seamus O'Regan, P.C., M.P.

Institutional head: Christyne Tremblay

Ministerial portfolio: Natural Resources

Enabling instrument(s): *Northern Pipeline Act*^{vi}

Year of incorporation / commencement: 1978

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

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

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

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

Operating context

Information on the Agency's operating context is available on the [Agency's website](#).^{ix}

Reporting framework

The Agency's Strategic Outcome and Program Alignment Architecture of record for 2020–21 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

Changes to the approved reporting framework since 2019–20

There has been no changes to the approved reporting framework.

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](#).^x

Supplementary information tables

The Agency has no applicable supplementary information tables.

Federal tax expenditures

The Agency's Departmental Plan does not include information on tax expenditures that relate to its planned results for 2020–21.

Tax expenditures are the responsibility of the Minister of Finance, and the Department of Finance Canada publishes cost estimates and projections for government-wide tax expenditures each year in the [Report on Federal Tax Expenditures](#).^{xi} This report provides detailed information on tax expenditures, including objectives, historical background and references to related federal spending programs, as well as evaluations, research papers and gender-based analysis. The tax measures presented in this report are solely the responsibility of the Minister of Finance.

Organizational contact information

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

The Agency's contact information is as follows:

Mailing address

470-588 Booth Street
Ottawa, ON K1A 0Y7

Telephone: (613) 995-1150

Email: info@npa-apn.gc.ca

Website(s): www.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 a department over a 3-year period. Departmental Plans are tabled in Parliament each spring.

departmental priority (priorité ministérielle)

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

departmental result (résultat ministériel)

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

departmental result indicator (indicateur de résultat ministériel)

A 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)

A framework that consists of the department's core responsibilities, departmental results and departmental result indicators.

Departmental Results Report (rapport sur les résultats ministériels)

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

experimentation (expérimentation)

The conducting of activities that seek to first explore, then test and compare, the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works and what doesn't. Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. 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 assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race, ethnicity, religion, age, and mental or physical disability.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2020–21 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 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 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.

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.

strategic outcome (résultat stratégique)

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

target (cible)

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

voted expenditures (dépenses votées)

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

Endnotes

- i GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ii GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iii GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iv 2018–19 Main Estimates, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates.html>
- v The Agency’s Future-Oriented Statement of Operations, <https://npa.gc.ca/publications/69>
- vi *Northern Pipeline Act*, <https://laws-lois.justice.gc.ca/eng/acts/N-26/>
- vii Raison d’être, mandate and role, [Raison d’être, mandate and role](https://npa.gc.ca/publications/366)
- viii Minister’s mandate letter, <https://pm.gc.ca/en/mandate-letters/minister-natural-resources-mandate-letter>
- ix Operation context, <https://npa.gc.ca/publications/366>
- x GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xi Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>
- xii Financial Administration Act, <https://laws-lois.justice.gc.ca/eng/acts/F-11/index.html>
- xiii *Northern Pipeline Act*, <https://laws-lois.justice.gc.ca/eng/acts/N-26/>