



Northern Pipeline
Agency

Administration du pipe-line
du Nord

Northern Pipeline Agency 2022–23 Departmental Results Report

The Honourable Jonathan Wilkinson, M.P., P.C.
Minister of Energy and Natural Resources

© His Majesty the King in Right of Canada, as represented by the Minister of Energy and Natural Resources, 2023

Cat. No. BT31-2/2023III-31

ISSN 2368-4054

This report is published separately in both official languages.

Copies are available on the Northern Pipeline Agency website at:
<http://npa.gc.ca/publications/>

Printed in Canada

Table of contents

From the Commissioner	1
Results at a glance	2
Results: what we achieved	3
Core responsibilities	3
Internal services	5
Spending and human resources.....	7
Spending	7
Human resources	9
Expenditures by vote	9
Government of Canada spending and activities.....	9
Financial statements and financial statements highlights	9
Corporate information	12
Organizational profile	12
Raison d'être, mandate and role: who we are and what we do.....	12
Operating context	12
Reporting framework	12
Supporting information on the program inventory	13
Supplementary information tables	13
Federal tax expenditures	13
Organizational contact information.....	14
Appendix: definitions.....	15
Endnotes.....	19

From the Commissioner

It is my pleasure to present the 2022-23 Departmental Results Report for the Northern Pipeline Agency (the Agency).

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



The southern portion of the pipeline was constructed in the early 1980s and presently transports Canadian gas to commercial markets. Fluctuating market and economic conditions since 1982 have led to several delays in the completion of the northern portion of the AHGP. The Agency's 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 and it will await further commercial interest before recommencing its efforts.

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

Michael Vandergrift
Commissioner

Results at a glance

What financial resources were used: \$299,098

Who was involved: 1 Full-Time Equivalent

Results highlights:

- The Northern Pipeline Agency (Agency) has been the federal regulator of the Alaska Highway Gas Pipeline (AHGP) in Canada since the [*Northern Pipeline Act*](#)¹ (the Act) was passed in 1978. The Agency serves as a single window for the federal regulation of the project, consolidating regulatory functions and coordinating with other departments and levels of government to reduce duplication and streamline the regulatory process while ensuring robust environmental protection and maximization of socio-economic benefits. 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 has scaled down its operations to a minimal level to fulfill Canada’s ongoing obligations as set out in the Act.

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

Results: what we achieved

Core responsibilities

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

Description

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

Results

To align with the reduction in the AHGP project activities, 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.

Key risks

In February 2013, Foothills/TC Energy informed the Agency that no further work is planned on the AHGP at this time 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 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 1970’s. Failure to be positioned for timely preparations, should the pipeline project be resumed, could jeopardize the Government of Canada’s performance of its responsibilities under the Act.

Results achieved

The following table shows, for Agency’s single core responsibility, the results achieved, the performance indicators, the targets and the target dates for 2022–23, and the actual results for the three most recent fiscal years for which actual results are available.

Departmental results	Performance indicators	Target	Date to achieve target	2020–21 actual results	2021–22 actual results	2022–23 actual results
The Agency will maintain the appropriate minimum level of preparation activities for a regulatory	The Agency will respond to company and public	80%	Ongoing	100%	100%	100%

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	correspondence within 15 business days of receipt.					
--	--	--	--	--	--	--

The Agency did not receive any correspondence from the company during 2022–23, but did receive one request from the public, which was responded to within 15 business days.

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

Budgetary financial resources (dollars)

The following table shows, for the Agency’s single core responsibility, budgetary spending for 2022–23, as well as actual spending for that year.

2022–23 Main Estimates	2022–23 planned spending	2022–23 total authorities available for use	2022–23 actual spending (authorities used)	2022–23 difference (actual spending minus planned spending)
572,250	572,250	546,310	299,098	(273,152)

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

Human resources (full-time equivalents)

The following table shows, in full-time equivalents, the human resources the department needed to fulfill this core responsibility for 2022–23.

2022–23 planned full-time equivalents	2022–23 actual full-time equivalents	2022–23 difference (actual full-time equivalents minus planned full-time equivalents)
4	1	(3)

Financial, human resources and performance information for the Agency’s program inventory is available in [GC InfoBase](#).^{iv}

Internal services

Description

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

- acquisition management services
- communication services
- financial management services
- human resources management services
- information management services
- information technology services
- legal services
- material management services
- management and oversight services
- real property management services

Contracts awarded to Indigenous businesses

The Government of Canada is committed to reconciliation with Indigenous peoples and to improving socio-economic outcomes by increasing opportunities for First Nations, Inuit and Métis businesses through the federal procurement process.

Under the [*Directive on the Management of Procurement*](#)^v, which came into effect on May 13, 2021, departments must ensure that a minimum of 5% of the total value of the contracts they award are held by Indigenous businesses. This requirement is being phased in over three years, and full implementation is expected by 2024.

Indigenous Services Canada has set the implementation schedule:

- Phase 1 departments: April 1, 2022, to March 31, 2023
- Phase 2 departments: April 1, 2023, to March 31, 2024
- Phase 3 departments: April 1, 2024, to March 31, 2025

The Agency is a Phase 3 organization and is aiming to achieve the minimum 5% target by the end of fiscal year 2024-25. 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. Given this, the Agency does not have any procurement plans at this time.

Should the Agency need to undertake procurement activities, the Agency will create and implement internal evaluations, systems updates and internal governance activities, including ensuring the completion of mandatory training by its procurement staff, in order to comply with achieving the minimum 5% target of the total value of the contracts awarded being held by Indigenous businesses.

Budgetary financial resources (dollars)

The following table shows, for internal services, budgetary spending for 2022–23, as well as spending for that year.

2022–23 Main Estimates	2022–23 planned spending	2022–23 total authorities available for use	2022–23 actual spending (authorities used)	2022–23 difference (actual spending minus planned spending)
0	0	0	0	0

Human resources (full-time equivalents)

The following table shows, in full-time equivalents, the human resources the department needed to carry out its internal services for 2022–23.

2022–23 planned full-time equivalents	2022–23 actual full-time equivalents	2022–23 difference (actual full-time equivalents minus planned full-time equivalents)
0	0	0

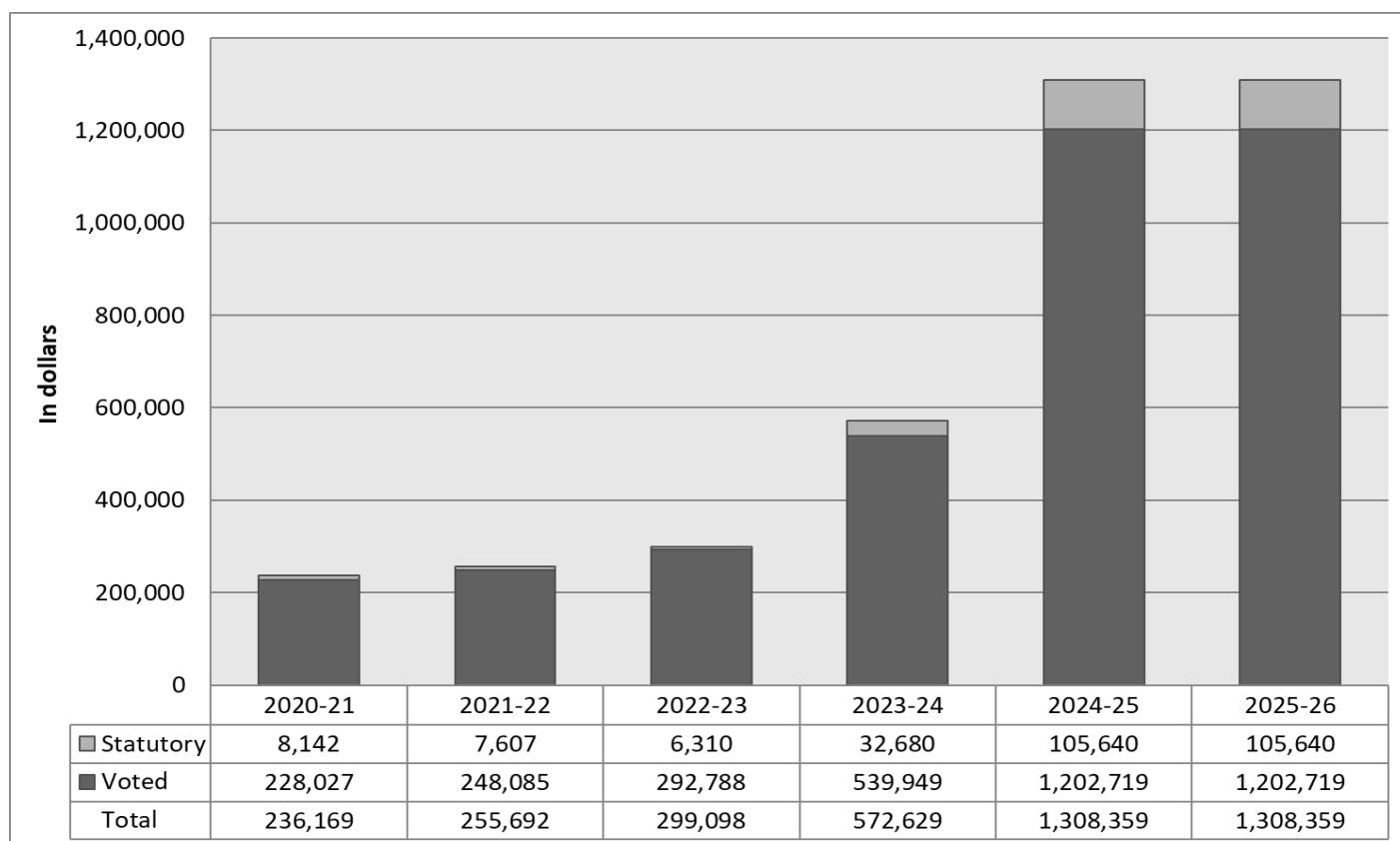
The Agency has a single strategic outcome and a single program. As a small and separate federal entity, the Agency has service agreements with Natural Resources Canada, Department of Justice, Public Services and Procurement Canada, Treasury Board of Canada Secretariat, and the Canada Energy Regulator, and expenditures for internal services through these agreements are recorded as program spending.

Spending and human resources

Spending

Spending 2020–21 to 2025–26

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



The Agency’s actual spending has remained relatively low between 2020–21 and 2022–23. This actual spending aligns with the reduction in the AHGP project activities while continuing to fulfill Canada’s obligations under the Act. For 2023–24, the Agency’s planned spending in the amount of \$572,629 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 2024–25 and 2025–26 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 performance summary for core responsibilities and internal services (dollars)

The “Budgetary performance summary for core responsibilities and internal services” table presents the budgetary financial resources allocated for the Agency’s core responsibilities and for internal services.

Core responsibilities and internal services	2022–23 Main Estimates	2022–23 planned spending	2023–24 planned spending	2024–25 planned spending	2022–23 total authorities available for use	2020–21 actual spending (authorities used)	2021–22 actual spending (authorities used)	2022–23 actual spending (authorities used)
Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project	572,250	572,250	572,629	1,308,359	546,310	236,169	255,692	299,098
Subtotal	572,250	572,250	572,629	1,308,359	546,310	236,169	255,692	299,098
Internal services	0	0	0	0	0	0	0	0
Total	572,250	572,250	572,629	1,308,359	546,310	236,169	255,692	299,098

The budgetary performance summary table above provides for the following:

- Main Estimates for 2022–23;
- Planned Spending for 2022–23, as reported in the Agency’s 2022–23 Departmental Plan;
- Planned Spending for 2023–24 to 2024–25, as reported in the Agency’s 2023–24 Departmental Plan;
- Total authorities available for use in 2022–23, reflects the authorities received including in-year funding; and
- Actual expenditures 2020–21 to 2022–23, as reported in the Public Accounts of Canada.

In 2022–23, the Agency spent only \$299,098 compared to the planned spending of \$572,250. The decrease of actual spending compared to planned spending aligns with the reduction in the AHGP project activities, while the Agency continues to fulfill Canada's obligations under the Act.

Human resources

The “Human resources summary for core responsibilities and internal services” table presents the full-time equivalents (FTEs) allocated to each of the Agency’s core responsibilities and to internal services.

Human resources summary for core responsibilities and internal services

Core responsibilities and internal services	2020–21 actual full-time equivalents	2021–22 actual full-time equivalents	2022–23 planned full-time equivalents	2022–23 actual full-time equivalents	2023–24 planned full-time equivalents	2024–25 planned full-time equivalents
Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project	1	1	4	1	4	4
Subtotal	1	1	4	1	4	4
Internal services	0	0	0	0	0	0
Total	1	1	4	1	4	4

Expenditures by vote

For information on the Agency’s organizational voted and statutory expenditures, consult the [Public Accounts of Canada](#).^{vi}

Government of Canada spending and activities

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

Financial statements and financial statements highlights

Financial statements

The Agency’s [financial statements \(unaudited\)](#)^{viii} for the year ended March 31, 2023, are available on the Agency’s website.

Financial statement highlights

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

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

Condensed Statement of Operations (unaudited) for the year ended March 31, 2023 (dollars)

Financial information	2022–23 planned results	2022–23 actual results	2021–22 actual results	Difference (2022–23 actual results minus 2022–23 planned results)	Difference (2022–23 actual results minus 2021–22 actual results)
Total expenses	574,467	301,901	257,967	(272,566)	43,934
Total net revenues	0	0	0	0	0
Net cost of operations before government funding and transfers	574,467	301,901	257,967	(272,566)	43,934

The 2022–23 planned results information is provided in the [Agency’s Future-Oriented Statement of Operations 2022–23](#).^{ix}

The total Agency expenses of \$301,901 increased by \$43,934 from \$257,967 in 2021-22 mainly due to an increase in professional services. The total expenses remain relatively consistent, taking into account the reduction in the AHGP project activities while continuing to fulfill Canada’s obligations under the Act.

Condensed Statement of Financial Position (unaudited) as of March 31, 2023 (dollars)

Financial information	2022–23	2021–22	Difference (2022–23 minus 2021–22)
Total net liabilities	4,154	0	4,154
Total net financial assets	4,154	0	4,154
Departmental net debt	0	0	0

Financial information	2022–23	2021–22	Difference (2022–23 minus 2021–22)
Total non-financial assets	0	0	0
Departmental net financial position	0	0	0

Total liabilities are relatively constant with the previous year.

Total Agency non-financial assets of \$0 consist of fully depreciated tangible capital assets.

The 2022–23 planned results information is provided in the Agency’s [Future-Oriented Statement of Operations 2022–23](#).^x

Corporate information

Organizational profile

Appropriate minister: The Honourable Jonathan Wilkinson, P.C., M.P.

Institutional head: Michael Vandergrift

Ministerial portfolio: Natural Resources Canada

Enabling instrument[s]: [Northern Pipeline Act](#)

Year of incorporation / commencement: 1978

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

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

“Raison d’être, mandate and role: who we are and what we do” is available on the Agency’s website.

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

Operating context

Information on the operating context is available on the Agency’s website.

Reporting framework

The Agency’s departmental results framework and program inventory of record for 2022–23 are shown below:

Departmental Results Framework	<p>Core Responsibility: Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project.</p>		Internal Services
	<p>Departmental Result:</p> <p>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.</p>	<p>Indicator:</p> <p>The Agency will respond to company and public correspondence within 15 business days of receipt.</p>	
Program Inventory	<p>Program: Oversee and regulate the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline Project.</p>		

Supporting information on the program inventory

Financial, human resources and performance information for the Agency’s program inventory is available in [GC InfoBase](#).^{xii}

Supplementary information tables

The following supplementary information table is available on the Agency’s website:

- ▶ Gender-based analysis plus

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](#).^{xiii} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs as well as evaluations and GBA Plus of tax expenditures.

Organizational contact information

Mailing address: 470-588 Booth Street, Ottawa ON K1A 0Y7

Telephone: 613-995-1150

Email: infonpa-apn@npa-apn.gc.ca

Website(s): <https://northern-pipeline.canada.ca>

Appendix: definitions

appropriation (*crédit*)

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

budgetary expenditures (*dépenses budgétaires*)

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

core responsibility (*responsabilité essentielle*)

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

Departmental Plan (*plan ministériel*)

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

departmental priority (*priorité*)

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

departmental result (*résultat ministériel*)

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

departmental result indicator (*indicateur de résultat ministériel*)

A quantitative measure of progress on a departmental result.

departmental results framework (*cadre ministériel des résultats*)

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

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

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

full-time equivalent (*équivalent temps plein*)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the full-time equivalent figure is the ratio of

number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

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

An analytical tool used to support the development of responsive and inclusive policies, programs and other initiatives; and understand how factors such as sex, race, national and ethnic origin, Indigenous origin or identity, age, sexual orientation, socio-economic conditions, geography, culture and disability, impact experiences and outcomes, and can affect access to and experience of government programs.

government-wide priorities (*priorités pangouvernementales*)

For the purpose of the 2022–23 Departmental Results Report, government-wide priorities are the high-level themes outlining the government's agenda in the [November 23, 2021, Speech from the Throne](#): building a healthier today and tomorrow; growing a more resilient economy; bolder climate action; fighter harder for safer communities; standing up for diversity and inclusion; moving faster on the path to reconciliation; and fighting for a secure, just and equitable world.

horizontal initiative (*initiative horizontale*)

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

Indigenous business (*entreprise autochtones*)

For the purpose of the *Directive on the Management of Procurement Appendix E: Mandatory Procedures for Contracts Awarded to Indigenous Businesses* and the Government of Canada's commitment that a mandatory minimum target of 5% of the total value of contracts is awarded to Indigenous businesses, an organization that meets the definition and requirements as defined by the [Indigenous Business Directory](#).

non-budgetary expenditures (*dépenses non budgétaires*)

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

performance (*rendement*)

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

performance indicator (*indicateur de rendement*)

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

performance reporting (*production de rapports sur le rendement*)

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

plan (*plan*)

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

planned spending (*dépenses prévues*)

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

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

program (*programme*)

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

program inventory (*répertoire des programmes*)

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

result (*résultat*)

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

statutory expenditures (*dépenses législatives*)

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

target (*cible*)

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

voted expenditures (*dépenses votées*)

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

Endnotes

- i. *Northern Pipeline Act*, <https://laws-lois.justice.gc.ca/eng/acts/N-26/>
- 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. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- v. Directive on the Management of Procurement, <https://www.tbs-sct.canada.ca/pol/doc-eng.aspx?id=32692>
- vi. Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- vii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- viii. Agency Financial Statements, <https://northern-pipeline.canada.ca/publications/69>
- ix. Agency Future-Oriented Statement of Operations (unaudited) 2022-2023, <https://northern-pipeline.canada.ca/publications/northern-pipeline-agency-future-oriented-statement-operations-unaudited-2022-2023/493>
- x. *Ibid*
- xi. Minister of Natural Resources Mandate Letter, <https://www.pm.gc.ca/en/mandate-letters/2021/12/16/minister-natural-resources-mandate-letter>
- xii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xiii. Report on Federal Tax Expenditures, <https://www.canada.ca/en/department-finance/services/publications/federal-tax-expenditures.html>