



Statement outlining results, risks and significant changes in operations, personnel, and program

Introduction

This quarterly financial report has been prepared by Canada Energy Regulator (CER) management as required by [Section 65.1 of the Financial Administration Act \(FAA\)](#) and in the form and manner prescribed by the Treasury Board in accordance with the special purpose financial reporting framework described in the [Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Reports](#). It should be read in conjunction with the [Main Estimates](#) and [Supplementary Estimates](#). This quarterly report has not been subject to an external audit or review.

The CER is named in Schedule II of the Financial Administration Act and is accountable to Parliament through the Minister of Natural Resources. The CER regulates energy infrastructure in a way that prevents harm and ensures the safe, reliable, competitive, and environmentally sustainable delivery of energy to Canada and the world. The Regulator's mandate includes:

- making transparent decisions, orders and recommendations with respect to pipelines, powerlines, offshore renewable energy projects and abandoned pipelines;
- overseeing the construction, operation and abandonment of pipelines, interprovincial powerlines and international powerlines and overseeing work and activities authorized under Part 5 of the CER Act as well as abandoned facilities;
- making orders with respect to traffic, tolls and tariffs and overseeing matters relating to traffic, tolls and tariffs;
- making decisions and orders and giving directions under Part 8 of the CER Act with respect to oil and gas interests, production and conservation;
- advising and reporting on energy matters;
- providing alternative dispute resolution processes;
- exercising powers and performing duties and functions that are conferred on the Regulator under any other Act of Parliament; and
- exercising its powers and performing its duties and functions in a manner that respects the Government of Canada's commitments with respect to the rights of the Indigenous Peoples of Canada.

The CER receives its funding through annual Parliamentary authorities. Nearly all expenditures are subsequently recovered from the companies regulated by the CER and the funds are deposited to the Consolidated Revenue Fund of the Government of Canada.



The CER's Core Responsibilities are Energy Adjudication, Safety and Environment Oversight, Energy Information and Engagement.

Further details on the CER's authority, mandate and programs can be found in the [Departmental Plans](#), [Departmental Results Reports](#), and [Part II of the Main Estimates](#).

Basis of Presentation

The quarterly financial report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the CER's spending authorities granted by Parliament, and those used by the CER, consistent with the [Main Estimates](#) and [Supplementary Estimates](#) for the 2025-26 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before monies can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts, or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the Financial Administration Act authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The CER uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

Highlights of the Fiscal Quarter and the Fiscal Year to Date Results

This section highlights any significant items that affected the year-to-date results and/or contributed to the net change in resources available for the year and actual expenditures. It should be read in conjunction with the [Statement of Budgetary Authorities](#) and the [Departmental Budgetary Expenditures by Standard Object](#), which can be found at the end of this report.



Budgetary Authorities Analysis

As reflected in the [Statement of Budgetary Authorities](#) and the [Departmental Budgetary Expenditures by Standard Object](#), the department's total authority available for use in the fiscal year ending March 31, 2026 is \$116.97 million, as compared to \$111.39 million in the fiscal year ending March 31, 2025. The increase of \$5.58 million is due to:

- an increase of \$11.61 million related to compensation adjustments including changes to terms and conditions of service or employment in the federal public administration;
- an increase of \$2.33 million related to the employee benefit plan;
- an increase of \$1.46 million related to Budget 2024 funding for Indigenous Advisory and Monitoring Committees;
- a decrease of \$6.94 million related to Budget 2022 funding for regulatory renewal activities, as well as funding to implement the Impact Assessment Act;
- a decrease of \$2.52 million related to Grants and Contributions; and
- a decrease of \$0.36 million related to the Refocusing Government Spending.



Expenditures Analysis

As reflected in the [Departmental Budgetary Expenditures by Standard Object](#), the department's authority used in the quarter ended 30 June 2025, is \$27.92 million, as compared to \$25.33 million as at the quarter ended 30 June 2024. The increase of \$2.59 million is due to:

- an increase of \$2.09 million related to compensation allocations as a result of adjustments made to terms and conditions of service or employment in the federal public administration;
- an increase of \$1.46 million related to Operational requirements;
- an increase of \$0.58 million related to the employee benefit plan;
- a decrease of \$1.29 million related to Budget 2022 funding for regulatory renewal activities, as well as funding to implement the Impact Assessment Act;
- a decrease of \$0.21 million related to the Grants and Contributions; and
- a decrease of \$0.04 million related to Budget 2024 funding for Indigenous Advisory and Monitoring Committees.

Risks and Uncertainties

The CER's work is shaped by emerging energy trends and by the proactive consideration of safety, environmental, societal, and economic trends which may influence both the volume of adjudicative matters that come before the CER in any given year, and our ability to carry out responsibilities that represent the ever-changing interests and concerns of Canadians. Due to the nature of its mandate, the CER's expenditures are influenced by planned and unplanned events (internal and external) that create uncertainty in expenditure and resource pressures.

Managing risks and seizing opportunities in the work the CER does on behalf of all Canadians will affect how the CER achieves its planned results. The CER has an Enterprise Risk Management (ERM) Framework for managing risks in the context of the current governance model and Strategic Plan. ERM is a holistic approach to identifying, assessing, preparing for, and managing organization-wide strategic risks. By providing a framework to identify enterprise level risk events, ERM enables the CER's Board of Directors and senior management to strategically manage events that might stand in the way of organizational success as well as identifying mitigations to these risks.



Significant Changes in Relation to Operations, Personnel and Programs

In April 2024, the CER updated its Strategic Plan (Plan) for 2024-27, while CER resources continued to be dedicated to day-to-day delivery of program and services. We continue focusing on four interconnected strategic priorities: Trust and Confidence, Reconciliation and Implementing the UN Declaration, Competitiveness and Regulatory Excellence and Preparing for the Energy Future.

Artificial Intelligence (AI) has become a critical tool for enhancing organizational efficiency and service delivery. In July 2024, we introduced Copilot Chat to all CER staff, showcasing our commitment to innovation. In January 2025, we initiated a trial for M365 Copilot, integrating it into the Microsoft Office suite, including Word, Excel, SharePoint, Teams, Outlook and PowerPoint. A cross-section of staff from the CER experimented with the tool in their day-to-day work, providing feedback and attending training sessions.

For the current fiscal year, we have worked with Shared Services Canada (SSC) to increase our M365 Copilot licenses, extending them until 31 March 2026. As we move forward, our commitment to responsible and ethical AI use remains strong. We're dedicated to safeguarding the CER's information with high data security standards.

George Vegh, Chairperson of Board of Director, announced that he would be stepping down from the CER. His last day will be 31 July 2025. In the meantime, Melanie Debassige, Vice-Chairperson, will serve as Acting Chair for the first 90 days while the process for the Governor in Council to appoint a new Board Chair is underway.

Approval by Senior Officials

The original version was approved by

The original version was approved by

Tracy Sletto
Chief Executive Officer

Jason Reid
Chief Financial Officer

Calgary, Canada
8 August 2025



Statement of Authorities (*unaudited*)

(in thousands of dollars)

	Fiscal year 2025-2026			Fiscal year 2024-2025		
	Total available for use for the year ending March 31, 2026*	Used during the quarter ended June 30, 2025	Year to date used at quarter-end	Total available for use for the year ending March 31, 2025*	Used during the quarter ended June 30, 2024	Year to date used at quarter-end
Vote 1 - Program Expenditures	104,393	24,772	24,772	101,146	22,771	22,771
Statutory Authority	12,579	3,145	3,145	10,248	2,562	2,562
Total Budgetary authorities	116,972	27,917	27,917	111,394	25,333	25,333
Non-budgetary authorities	-	-	-	-	-	-
Total authorities	116,972	27,917	27,917	111,394	25,333	25,333

More information is available in the attached table.

* Includes only Authorities available for use and granted by Parliament at quarter-end.



Departmental budgetary expenditures by Standard Object *(unaudited)*

<i>(in thousands of dollars)</i>	Fiscal year 2025-2026			Fiscal year 2024-2025		
	Planned expenditures for the year ending March 31, 2026*	Expended during the quarter ended June 30, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025*	Expended during the quarter ended June 30, 2024	Year to date used at quarter-end
Expenditures:						
Personnel	94,792	24,497	24,497	84,506	21,760	21,760
Transportation and communications	1,898	575	575	2,070	460	460
Information	125	115	115	186	60	60
Professional and special services	9,686	2,066	2,066	12,467	2,031	2,031
Rentals	1,232	382	382	1,160	402	402
Repair and maintenance	735	177	177	997	257	257
Utilities, materials, and supplies	373	44	44	272	77	77
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	1,656	24	24	695	42	42
Transfer payments	6,453	39	39	8,977	244	244
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	22	(2)	(2)	64	-	-
Total gross budgetary expenditures	116,972	27,917	27,917	111,394	25,333	25,333
Less						
Total Revenues netted against expenditures	-	-	-	-	-	-
Total net budgetary expenditures	116,972	27,917	27,917	111,394	25,333	25,333

* Includes only Authorities available for use and granted by Parliament at quarter-end.