



Northern Pipeline Agency Administration du
pipe-line du Nord

Northern Pipeline Agency

Quarterly Financial Report (unaudited)
For the Quarter Ended September 30, 2024

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

1. Introduction

This quarterly financial report should be read in conjunction with the *Main Estimates* and any *Supplementary Estimates* approved in a given year by the date of this report. It has been prepared by management as required by section 65.1 of the *Financial Administration Act*, and in the form and manner prescribed by the Treasury Board. This quarterly financial report has not been subject to an external audit or review.

1.1 Authority, Mandate and Programs

The Northern Pipeline Agency (Agency) was established by the *Northern Pipeline Act* in 1978 and in the context of the *1977 Agreement between Canada and the United States of America on Principles Applicable to a Northern Natural Gas Pipeline*. The Agency has a mandate to carry out federal responsibilities in respect of the planning and construction of the Canadian portion of the Alaska Highway Natural Gas Pipeline (AHGP) project. The Agency plays a key role in supporting efficient and expeditious regulatory approval, while ensuring environmental protection and social and economic benefits for Canada.

Further details on the Agency's authority, mandate and programs are available in Part II of the 2024-2025 [Main Estimates](#).

1.2 Basis of Presentation

This quarterly financial report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Agency's spending authorities granted by Parliament, and those used by the Agency are consistent with the Main Estimates for the 2024-2025 fiscal year for which full supply has been released by Parliament. 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 money 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.

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

2. Highlights of the Second Fiscal Quarter and Comparative Results

This Quarterly Financial Report reflects the results as at September 30, 2024, including Main Estimates, and the details presented in this report focus on and compare the second quarter results of 2024-2025 with those of 2023-2024.

2.1 Authorities Available for Use and Planned Spending for the Year

As at September 30, 2024, the Agency has \$569,670 in authorities available for use in 2024-25 compared to \$572,629 in 2023-2024, representing a decrease of \$2,959 which is mainly associated to a decrease of \$3,010 related to employee benefit plan expenditures, partially offset by an increase of \$51 related to professional and special services.

2.2 Authorities Used and Amounts Expended during the Second Quarter

During the second quarter of 2024-2025, the Agency spent \$26,374 or 4.6% of the total funding available, compared to \$18,155 or 3.2% of the total funding available for the same period in 2023-2024, for a net increase of \$8,219. This net increase, compared to the second quarter of last year, is mainly comprised of:

- an increase in professional and special services due to the timing of invoices;
- an increase in salaries due to salary adjustments arising from recently approved collective agreements and salary adjustments relating to a past fiscal year;
- a decrease in rental costs due to a change of services.

As of September 30, 2024, the Agency spent \$47,476 or 8.3% of the total funding available, compared to \$37,657 or 6.6% of the total funding as at September 30, 2023, for a net increase of \$9,819. This is mainly explained by the reasons noted above.

3. Risks and Uncertainties

In planning for an efficient and effective review and regulation of the project, the Agency must adapt to project developments by the proponent, i.e., to carry out its responsibilities and to make the necessary preparations in concert with the pace of the project's development.

3.1 Risk Mitigation Framework

The Agency identifies and responds to the pace of the project's development by continual corporate-level forecasting, tracking and management of issues that could affect or require a response from the Agency. For example, on March 30, 2012, ExxonMobil, ConocoPhillips, BP and TransCanada PipeLines Limited (now TC Energy) announced a work plan to assess liquefied natural gas (LNG) exports from south-central Alaska as an alternative to a natural gas pipeline through Canada. In February 2013, TC Energy notified the Agency that no further work is planned on the AHGP for now, and of their intent to maintain the AHGP assets in Canada. To align with the reduction in the AHGP project activities for the foreseeable future, the Agency has scaled down its operations, while continuing to fulfill Canada's obligations as set out in the Act.

4. Significant Changes in Relation to Operations, Personnel and Programs

There were no significant changes to operations, personnel and programs during the second quarter of 2024-2025.

Approved by:

Michael Vandergrift
Commissioner

November 18, 2024
Ottawa, Canada

Wayne Marshall
Director of Operations

November 1, 2024
Calgary, Canada

Table 1: Statement of Authorities (*unaudited*) (in dollars)

	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Total available for use for the year ending March 31, 2025*	Expended during the quarter ended September 30, 2024	Year-to-date used at quarter -end	Total available for use for the year ending March 31, 2024*	Expended during the quarter ended September 30, 2023	Year-to-date used at quarter -end
Budgetary Authorities						
Net Operating expenditures - Vote 1	540,000	18,956	32,641	539,949	9,985	21,317
Statutory Authority - Employee Benefit Plans	29,670	7,418	14,835	32,680	8,170	16,340
Total Budgetary Authorities	569,670	26,374	47,476	572,629	18,155	37,657

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

Table 2: Budgetary Expenditures by Standard Object (*unaudited*)
(in dollars)

	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Total available for use for the year ending March 31, 2025*	Expended during the quarter ended September 30, 2024	Year-to-date used at quarter -end	Total available for use for the year ending March 31, 2024*	Expended during the quarter ended September 30, 2023	Year-to-date used at quarter -end
Expenditures:						
Personnel	244,670	16,950	32,756	247,680	12,964	32,466
Transportation and communication	25,000	-	-	25,000	-	-
Information	1,000	-	-	1,000	-	-
Professional and special services	280,000	9,424	14,720	279,949	-	-
Rentals	12,000	-	-	12,000	5,191	5,191
Repair and maintenance	1,000	-	-	1,000	-	-
Utilities, materials and supplies	1,000	-	-	1,000	-	-
Acquisition of machinery and equipment	5,000	-	-	5,000	-	-
Transfer Payments	-	-	-	-	-	-
Other subsidies and payments	-	-	-	-	-	-
Total net budgetary expenditures	569,670	26,374	47,476	572,629	18,155	37,657

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