Canada Energy Regulator | Régie de l'énergie du Canada

Quarterly Financial Report
For the quarter ended June 30, 2026

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 Energy and 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. The Government recovers substantially all of the costs from the regulated industry. The revenues are deposited directly into the Consolidated Revenue Fund. This process is regulated by the National Energy Board Cost Recovery Regulations.

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 and Supplementary 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 2026-27 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, which 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, 2027 is $128.91 million, as compared to $116.97 million in the fiscal year ending March 31, 2026. The increase of $11.94 million is due to:

- an increase of $5.96 million related to funding for innovative data and information management;
- an increase of $4.12 million related to Grants and Contributions;
- an increase of $2.17 million related to the employee benefit plan;
- an increase of $0.64 million related to funding for net-zero energy modeling;
- an increase of $0.20 million related to statutory authority for internal service support;
- a decrease of $0.99 million related to the Refocusing Government Spending; and
- a decrease of $0.16 million related to compensation adjustments including changes to terms and conditions of service or employment in the federal public administration.

Expenditures Analysis

As reflected in the Departmental Budgetary Expenditures by Standard Object, the department's authority used in the quarter ended June 30, 2026 is $29.04 million, as compared to $27.92 million as at the quarter ended June 30, 2025. The increase of $1.12 million is due to:

- an increase of $0.82 million related to the Grants and Contributions;
- an increase of $0.29 million related to funding for innovative data and information management;
- an increase of $0.17 million related to the employee benefit plan;
- an increase of $0.15 million related to funding for regulatory renewal activities;
- an increase of $0.09 million related to funding for Indigenous Advisory and Monitoring Committees;
- an increase of $0.04 million related to funding for net-zero energy modeling; and
- a decrease of $0.44 million related to Operational requirements.

Risks and Uncertainties

The CER's work is guided by its mandate and influenced by a rapidly evolving energy landscape. The CER proactively monitors safety, environmental, societal, and economic trends which may influence its work and the volume of adjudicative matters that come before the CER in any given year. Due to the nature of its mandate and this shifting operating context, the CER's expenditures are influenced by planned and unplanned events (internal and external) that create uncertainty in expenditure and resource pressures.

Effective risk management is essential to the CER's ability to achieve its planned results. The CER uses an Enterprise Risk Management (ERM) Framework for managing risks in the context of its governance structure 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 risks, ERM enables the CER's Board of Directors and senior management to proactively address potential challenges, implement appropriate mitigation strategies, and seize opportunities that support organizational success.

Significant Changes in Relation to Operations, Personnel and Programs

Effective June 11, 2026, her Excellency the Governor General in Council, on the recommendation of the Minister of Natural Resources, has appointed Dale Eisler to be interim Chairperson of the Board of Directors of the Canada Energy Regulator for a term of one year or until such time as a new Chairperson is appointed, whichever occurs first.

Approval by Senior Officials

The original version was approved by

Tracy Sletto Chief Executive Officer	Jason Reid Chief Financial Officer

Calgary, Canada
14 August 2026

Statement of Authorities *(unaudited)*

(in thousands of dollars)	**Fiscal year 2026-2027**			**Fiscal year 2025-2026**		
	Total available for use for the year ending March 31, 2027*	Used during the quarter ended June 30, 2026	Year to date used at quarter-end	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
Vote 1 - Program Expenditures	113,955	25,727	25,727	104,393	24,772	24,772
Statutory Authority	14,950	3,317	3,317	12,579	3,145	3,145
Total Budgetary authorities	**128,905**	**29,044**	**29,044**	**116,972**	**27,917**	**27,917**
Non-budgetary authorities						
Total authorities	**128,905**	**29,044**	**29,044**	**116,972**	**27,917**	**27,917**

More information is available in the attached table.

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

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Departmental budgetary expenditures by Standard Object *(unaudited)*

(in thousands of dollars)	Fiscal year 2026-2027			Fiscal year 2025-2026		
	Planned expenditures for the year ending March 31, 2027*	Expended during the quarter ended June 30, 2026	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2026*	Expended during the quarter ended June 30, 2025	Year to date used at quarter-end
Expenditures:						
Personnel	101,328	25,443	25,443	94,792	24,497	24,497
Transportation and communications	2,637	589	589	1,898	575	575
Information	491	85	85	125	115	115
Professional and special services	11,548	1555	1555	9,686	2,066	2,066
Rentals	1,321	387	387	1,232	382	382
Repair and maintenance	375	94	94	735	177	177
Utilities, materials, and supplies	238	24	24	373	44	44
Acquisition of land, buildings and works	23	11	11	-	-	-
Acquisition of machinery and equipment	361	-	-	1,656	24	24
Transfer payments	10,572	858	858	6,453	39	39
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	11	-2	-2	22	(2)	(2)
Total gross budgetary expenditures	**128,905**	**29,044**	**29,044**	**116,972**	**27,917**	**27,917**
Less						
Total Revenues netted against expenditures	**-**	**-**	**-**	**-**	**-**	**-**
Total net budgetary expenditures	**128,905**	**29,044**	**29,044**	**116,972**	**27,917**	**27,917**

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