



# ENERGY REGULATORY REPORT

Regulatory Law Chambers (“RLC”) is a Calgary based boutique law firm, specializing in energy and utility regulated matters. RLC works at understanding clients’ business objectives and develops legal and business strategies with clients, consistent with the legislative scheme and public interest requirements. RLC follows a team approach, including when working with our clients and industry experts. [Visit our website to learn more about RLC.](#)

## ALBERTA ENERGY REGULATOR

### 2024/25 AER Administration Fees (Industry Levy), AER Bulletin 2024-07

#### *Oil and Gas – Revenue Requirement*

For 2024/25, the Government of Alberta approved a revenue requirement of \$225.2 million to support the AER’s operations. The AER published the administration fees allocated according to the industry sectors based on the AER’s operational requirements for specific sectors.

#### 2024/25 Administration Fees (Industry Levy)

The AER announced the following industry levy amounts for 2024/25 by sector:

Sector	2024 (\$000)	2023 (\$000)
Oil and Gas	155 397	154 346
Oil Sands	43 720	43 245
Coal	8 064	8 718
Pipelines	12 276	7 479
Facilities ( <i>Directive 056</i> )	5 158	3 218
Facilities ( <i>Directive 023</i> )	631	413
<b>Total</b>	<b>225 246</b>	<b>217 419</b>

#### Oil and Gas Sector

The administration fee in the conventional oil and gas sector is based on individual well production of oil and bitumen or gas and the number of inactive, in service, and production wells for 2023. Wells are classified in the classes set out in the *Alberta Energy Regulator Administration Fees Rules (“AFR”)*. An adjustment factor is applied to ensure that the administration fee collected for each sector satisfies the AER’s revenue requirement. For the oil and gas sector, the AER will apply an adjustment factor of 3.890075. The fee is allocated as follows:

Fee Class	Min. production (m <sup>3</sup> /yr)	Max. production (m <sup>3</sup> /yr)	Base fee 2024/25
0	Inactive wells	Not Applicable	\$42.00
1	Service wells	Not Applicable	\$50.00
2	0.01	300	\$42.00
3	300.1	600	\$102.00
4	600.1	1 200	\$240.00
5	1 200.1	2 000	\$460.00
6	2 000.1	4 000	\$1 040.00

**AER re 2024/25 AER Administration Fees (Industry Levy)**

7	4 000.1	6 000	\$1 740.00
8	6 000.1	8 000	\$2 560.00
9	8 000. 1	10 000	\$3 500.00
10	10	>	\$3 800.00

Alberta Upstream Petroleum Research Fund

The Canadian Association of Petroleum Producers (“CAPP”) and the Explorers and Producers Association of Canada (“EPAC”) requested that the AER’s administration fee process be used to collect \$5.3 million to fund the Alberta Upstream Petroleum Research Fund (“AUPRF”) in 2024. The AER granted the request and included an amount for this funding in the oil and gas well administration fee invoices, the payment of which is voluntary and not subject to penalties.

Oil Sands Sector

The fee for this sector is levied in five categories based on operating information for the 2023 year. One operator may have activities in more than one category. The fee is subject to an adjustment factor and is allocated as follows:

Category	Allocation (\$000)	Adjustment factor
Primary ongoing	5 312	2.777591
Thermal ongoing	14 489	2.594022
Thermal growth	2 488	10.609170
Mining ongoing	1 9940	2.898922
Mining growth	1 491	13.576640
<b>Total</b>	<b>43 720</b>	

Coal Sector

The administration fee for coal is based on each mine’s share of total production volumes for 2023,

and is set at \$0.723644 per ton of coal, as specified in the *AFR*.

Pipelines Sector

The administration fee for pipelines is based on the segments of a pipeline in each class as of Dec 31, 2023. Pipelines subject to an administration fee are classified by pipe diameter with an adjustment factor of 2.234722.

Class	Diameter (mm)	Base fee (\$)
A	<168.3	50.00
A (Discontinued)		25.00
B	≥ 168.3 and <609.6	60.00
B (Discontinued)		30.00
C	≥609.6	200.00
C (Discontinued)		100.00

Facilities (Directive 056) – Gas Plants

The administration fees are levied to gas plant facilities with an inlet rate greater than or equal to ten million cubic meters per day as of Dec 31, 2023, and an active, new or unknown activity status. The rate is set at \$7.741826 for every thousand cubic meters per day and is applied based on the individual facility inlet rate, as specified in the *AFR*.

Facilities (Directive 023) – Processing Plants

The administration fees are levied to processing plant facilities approved under the *Oil Sands Conservation Act* with an operating status as of Dec 31, 2023. The rate is set at \$9.248995 for each cubic meter per day and is applied based on the individual facility inlet rate, as specified in the *AFR*.

Payment

Payment of all invoices is required by May 1, 2024, regardless of whether an appeal has been filed. Following a decision on the appeal, adjustments will be applied, as needed.