

Frequently Asked Questions

Bulletin 2021-37: 2021/22 AER Administration Fees (Industry Levy)

September 2021

Q1. Why did I receive a second levy invoice?

A1. The invoice issued in April 2021 was an interim billing for the administration fees to provide the AER funding for the first six months of operations. Payments made on the interim invoices have been applied as a credit towards your final invoice.

Q2. Why is the invoice issued for 100 per cent of the AER revenue requirements when 50 per cent was already billed in April 2021?

A2. In April 2021, we issued interim billing to collect \$103.3 million of the approved administration fees using the existing methodology, which was initially announced in [Bulletin 2020-18](#). This interim billing was to provide us with funds to operate until the revised methodology was completed and approved. We are now issuing the 2021/22 final billing of administration fees using the revised methodology for the full-year amount as of April 1, 2021. The new invoice reflects full-year fees calculated using the revised methodology. Payments made for interim billing have been applied as a credit on this invoice.

Q3. When are the administration fees due?

A3. October 25, 2021.

Q4. Who is responsible for paying the administration fees?

A4. The invoice is sent to the operator of a facility (i.e., well, oil sands scheme, or coal mine) or the licensee of an inactive well as of December 31, 2020. The operator or licensee is responsible for paying the invoice. If the operator fails to pay the fee, then the licensee is responsible for paying the invoiced amount and any assessed penalty.

Q5. What are the administration fees for?

A5. The administration fees support the AER's operations. The fees are allocated according to industry sector—oil and gas, oil sands, and coal—and are based on our operational requirements for the specific sector.

Q6. Who is responsible for paying the fees if wells or facilities were sold after December 31, 2020?

A6. The operator on record as of December 31, 2020, is responsible for paying the 2021 administration fees, even if the wells or facilities were sold after that date.

Q7. Why has the number of wells on my invoice increased?

A7. As part of the levy methodology review, a change was made to the well classes. The AER now charges a fee for inactive wells. Previously, only producing wells were charged a fee.

Q8. Why are inactive wells determined as of January 31, 2021?

A8. Because of the one-month lag in [Petrinex](#) for reporting volumetric data, the inactive well report is run on January 31 to capture those wells without production throughout the entire base year (January to December 2020).

Q9. Why are inactive in situ wells determined as of July 15, 2020?

A9. For this levy year only, inactive wells classified as part of an in situ scheme were determined as of July 15 and excluded from the inactive well list. This action was because of system limitations and the timing of this year's levy. In the future, reports for these wells will be generated on January 31.

Q10. Where can I get a copy of my invoice?

A10. Invoices will be mailed on September 23, 2021, addressed to the chief financial officer or controller. To request an extra copy or electronic version of your invoice, please contact AdminFeeCoordinator@aer.ca.

Q11. Can I get my invoice by email in the future?

A11. Yes, effective April 1, 2022, we will stop mailing paper copies of levy invoices to licensees that provide email addresses. Licensees that do not provide an email address will continue to receive a paper copy of their invoice. Electronic invoice delivery is secure delivery and creates efficiencies in approval and payment processing. Please forward your preferred corporate email address or addresses to AdminLevyReview@aer.ca. A generic email address is preferred to avoid changes because of staff turnover.

Q12. Can I pay by credit card?

A12. No. Cheques are the only method of payment accepted.

Q13. Will I be charged a penalty if I do not pay the invoice by the due date?

A13. Yes, you will be penalized for late payment. Payments are due October 25, 2021. A late-payment penalty of 20 per cent will be charged on the portion of the AER administration fee that remains unpaid after October 25, 2021.

Q14. What if I disagree with details on my invoice and wish to appeal?

A14. Any disagreements or appeals can be directed to

Administration Fee Coordinator

Email: AdminFeeCoordinator@aer.ca

Any appeal must be made in writing (faxes are not acceptable).

Payment of all invoices is required by October 25, 2021, regardless of whether an appeal has been filed. Following a decision on the appeal, adjustments will be applied as needed.