

Frequently Asked Questions

Bulletin 2020-18: 2020/21 AER Administration Fees (Industry Levy)

September 2020

Q1. When are the administration fees due?

A1. October 15, 2020.

Q2. Who is responsible for paying the administration fees?

A2. The invoice is sent to the operator of a facility (well, oil sands scheme, or coal mine) as of December 31, 2019, and is payable by that operator. If the operator fails to pay the fee, the licensee is responsible for paying the invoiced amount and any assessed penalty.

Q3. What are the administration fees for?

A3. 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.

Q4. Who is responsible for paying the fees if wells or facilities were sold after December 31, 2019?

A4. The operator on record as of December 31, 2019, is responsible for paying the 2020 administration fees, even if the wells or facilities were sold after that date.

Q5. Where can I get a copy of my invoice?

A5. Invoices will be mailed out on September 15, 2020, and addressed to the chief financial officer or controller. To request an extra copy or electronic version of your invoice, please contact adminfeecoordinator@aer.ca.

Q6. Can I pay by credit card?

A6. No. Cheques are the only method of payment accepted.

Q7. Will I be charged a penalty if I do not pay the invoice by the due date?

A7. Payments are due October 15, 2020. A late-payment penalty of 20 per cent will be charged on the portion of the AER administration fee that remains unpaid after October 15, 2020.

Q8. Will I be charged a penalty if I do not pay the Alberta Upstream Petroleum Research Fund (AUPRF) contribution?

A8. Payment for the AUPRF contribution is voluntary and no penalty will be charged if it is not paid.

Q9. Why are some of the base rates different than in previous years?

A9. In December 2019, we issued [Bulletin 2019-33](#) announcing that we would be reviewing the methodology used to calculate the levy. We then established a joint committee with representatives from the Canadian Association of Petroleum Producers (CAPP), the Explorers and Producers Association of Canada (EPAC), and the Coal Association of Canada (CAC), as well as Alberta Energy, to garner feedback. The committee's work has been divided into two phases: changes that are possible in the near term, and more substantial changes in the long term.

The committee completed the first phase of the review in spring 2020. Based on its advice, the AER's board of directors has approved reducing the base fees for service wells and wells producing less than 600 cubic metres (m³) per year for the 2020/21 industry levy.

This is an interim change and will be re-evaluated in phase two of the review of the levy methodology. We will provide details about the second phase in a separate communication to industry.

Q10. Why has my invoice amount decreased this year?

A10. For 2020/21, the Government of Alberta approved a total industry levy of \$226.5 million. In March 2020, the government announced that it would provide \$113 million to cover the industry levy for six months (April to September). This relief was in response to the economic impacts of COVID-19 and record low commodity prices. We are now issuing the administration fees to collect the remaining \$113.5 million.

Q11. What if I disagree with details on my invoice?

A11. Any disagreements can be directed to

Anila Kaceli
Revenue & Cash Management Advisor, Financial Reporting & Operations
Finance Branch
Alberta Energy Regulator

Suite 1000, 250 – 5 Street SW
Calgary, AB T2P 0R4
Telephone: 403-297-6985
Email: anila.kaceli@aer.ca

Q12. How do I appeal the administration fees?

A12. Any appeal must be made in writing (faxes are not acceptable) to

Mike Dalton, CA
Vice President
Finance Branch
Alberta Energy Regulator

Suite 1000, 250 – 5 Street SW
Calgary, AB T2P 0R4
Telephone: 587-794-4374
Email: mike.dalton@aer.ca

Payment of all invoices is required by October 15, 2020, regardless of whether an appeal has been filed. Following a decision on the appeal, adjustments will be applied as needed.