



BC Petrinex Inclusion Change Leader Meeting #2

January 24, 2018



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Agenda

- I. Introductions**
- II. Project Overview
- III. Interoperability Testing
- IV. Update from the BC Oil & Gas Commission
- V. Industry Conversion Communication Plan
- VI. Cutover Strategy
- VII. Update from BC Ministry of Finance
- VIII. Important Dates & Steps to Readiness
- IX. Questions



Petrinex Attendees

Ross Weaver: Manager, Petrinex Industry Team

Steve Freeman: Industry Coordinator – BC Lead

Marie Mitchell: Industry Coordinator

Farhat Siddiqui: Director, Business Information Solutions

Christian Traue: Project Manager – Fujitsu Consulting

BC Attendees

Mike Janzen: Manager, Asset Integrity & Retirement
BC Oil & Gas Commission

Ross Cooke: Manager, Natural Resource Revenue Operations
Ministry of Finance – Mineral, Oil & Gas Revenue Branch

Kathy Brulotte: Manager, Petroleum Operations
Ministry of Finance – Mineral, Oil & Gas Revenue Branch

Brian Savage: Independent Contractor
Ministry of Finance – Information Management Branch

Dave Rogers: Petrinex-BC Project Director
Ministry of Finance

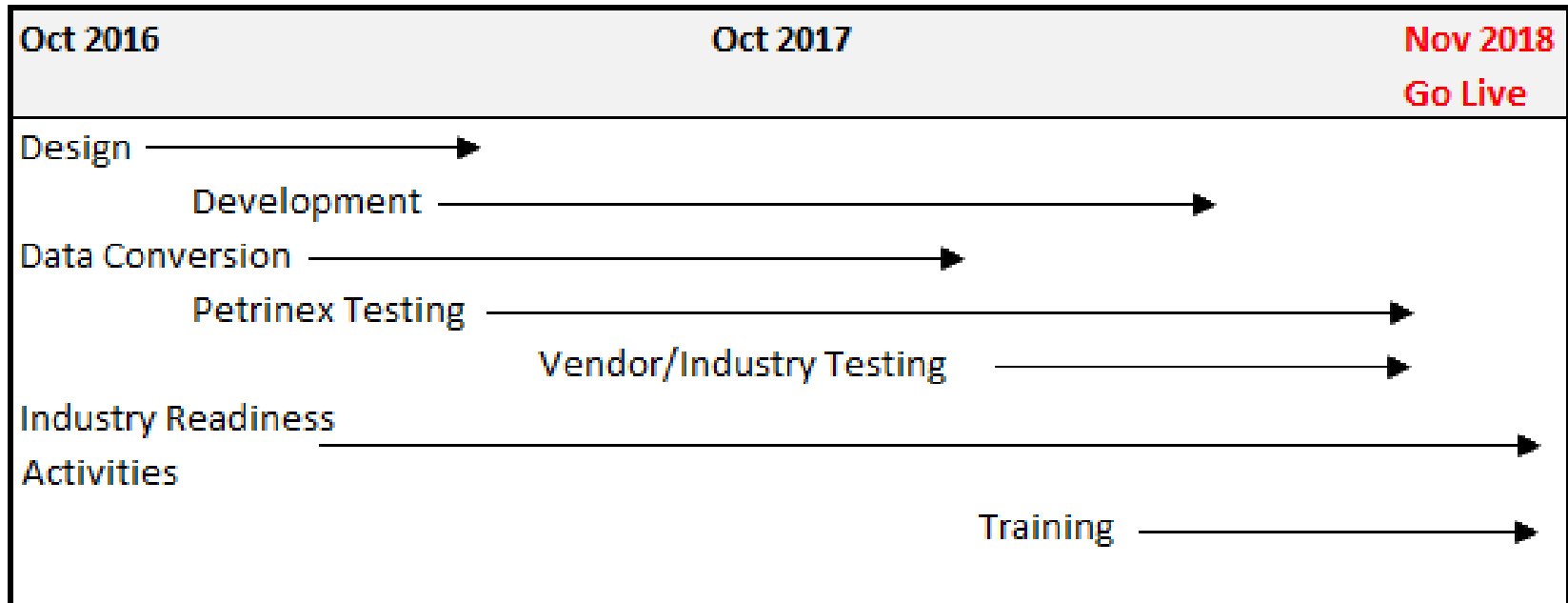
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CANADA'S PETROLEUM INFORMATION NETWORK

High Level Project Scope & Timing



High Level Project Scope & Timing

- Petrinex Go-Live for BC is November 5, 2018.
 - Reporting will begin for the October Production Month.
 - Original plan was for Petrinex to be online in October (calendar month), a few weeks before any monthly reporting requirements.
 - Idea was to give Industry a chance to verify infrastructure conversion information and even begin reporting infrastructure.
 - In order to minimize risk and ensure data integrity, it was decided that Petrinex and PRMS should not run infrastructure changes in parallel. The new TACS Finance system is scheduled to go-live on Nov 13.
 - A conversion plan and cutover strategy will be presented today.

High Level Project Scope & Timing

- Development is underway and will continue until summer 2018.
- SME testing has begun and will continue right up until Go-Live.
 - Current focus is on Volumetrics & Waste Plant
 - On Deck: PCOS in a few months
- Opening interoperability testing for Volumetrics & Waste Plant files (more in next section).
- Data conversion has begun and will be ongoing throughout the project.
 - Need to begin focusing on Industry Conversion Communication Plan.
 - More details on how Industry will be involved in a later section.

Industry Readiness Activities

- Industry company SME identification and recruitment for design workshops
- BC “Official” information release
- Stakeholder and Change Leader identification and contact info for “Scorecard”
- BC Business Change Committee set-up and meetings
- Joint or independent non-producer meetings (e.g. vendors, pipelines, waste plants)
- New Company processes
- Petrinex website changes (including BC “Initiatives Page”)
- Vendor specification release
- Industry Team annual billing
- **Industry Readiness Handbook (updates forthcoming)**
- **Change Leader Meetings**
- **Acceptance Testing (testing Volumetrics & Waste Plant)**
- **Industry Conversion Communication Plan**
- **Interoperability Testing (Volumetrics & Waste Plant)**
- **Scorecard tracking and follow-up (emails, call-out program)**
- **Updates to EPAC, CAPP Acctg. Comm., Fiscal & BC EPGs, CAPPA etc.**
- Training (Job Aids, training modules, videos)
- SMOR (Small and Medium Operator Readiness) activities
- Training module content and release

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Interoperability Testing

- Interoperability Testing provides both software vendors and operators a chance to submit batch files to the Petrinex Industry Team.
 - Files generated by PA Software systems (XML or CSV).
 - Manually created spreadsheets for uploading data to Petrinex (CSV).
- The Industry Team will run the submitted batch files in the test environment and provide feedback to the test submitter.
- Industry will not be engaged in testing online functionality.
- Vendors and operators will assess how much testing is appropriate.
 - Not every company will choose to engage in interoperability testing.
 - All upload processes should be covered through various participants' test submissions.

Interoperability Testing

- PA Software Vendors generally begin testing prior to Industry to ensure that their systems are ready before handing over to clients.
- Can begin testing for Volumetrics & Waste Plant files **NOW**.
 - Review Appendix 12 of the Handbook for testing instructions, procedures, and a downloadable copy of the transmittal form.
 - Will accept files from both software vendors and Industry if ready.
- Anticipating that other files will be open for testing in May/June.
 - Allocations, Pipeline Splits, Oil Valuation, NGL/Sulphur Valuation
 - Possibility that some functions may be available earlier.
 - “IIO Testing Window” section of Appendix 12 to be updated with what functions are currently open and target timeframes for other functions.
- Change Leaders will be notified when the exact dates of future testing windows are known.

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BC Oil and Gas Commission

- Completion of volumetric testing; less involvement in upcoming development and testing, but ongoing conversion role
- Waste Plant Testing
 - Current waste codes acceptable, but some info may be missing from BC authorizations
 - WP operators are encouraged to reach out to MOE to confirm reporting requirements
- LNG Testing
 - Functions largely similar to GP, with options for LNG product and Disp to BCMV (Motor Vessel)
 - Potential scenarios simplified and will require future analysis
- Business Readiness
 - System impacts (fluid types, zonal aban, add & remove functions, etc)
 - Hub/system communication development
 - Align dependences for end to end functions
 - Update process documentation
 - Train internal groups
 - Identify changes for industry communication and potential training

- BA Data Collection
 - BA data fields required for Petrinex access and data conversion
 - Form for completion to be posted on OGC website
 - Must be completed to gain access to Petrinex
 - Fields include company, BA ID, Incorporation #, BN9, address, primary USA, backup USA, OGC company administrators, etc.
 - To be posted in March with communication from Petrinex/OGC/Ministry
 - Requires completion prior to end of April
- E-Submission of Well/Completion Events
 - Replaces portion of current BC11 form
 - OGC e-Submission portal (user-friendly webform)
 - Required prior to well event push to Petrinex
 - Development ahead of Petrinex go-live for internal testing and use; available to industry at go-live
 - Communications and training to come

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Industry Conversion Communication Plan

3 Major Components of the Plan

1. Information Collected From Industry

- Business Associate: Primary/Backup USA
- Facility: Gas Gathering Systems, Meter Stations, Pipelines

2. Conversion Information Files Shared With Industry

- Well Status
- Facility
- PCOS Equipment (Finance & Commission)
- PCOS Linkages
- Royalty Tax Payer & Royalty Tax Attributes

3. Activities at Go-Live

- Primary USA sets up users/roles
- Opening Inventories
- Infrastructure Updates
- Related BAs for Oil Valuation purposes
- Linking gathering lines to batteries for PCOS

1. Information Collected From Industry

Primary & Backup USA

- The Commission will be collecting information for the Primary USA and optional Backup USA.
- The Primary USA must be identified before Go-Live so that Login/Password information can be communicated ahead of time.
- Other Business Associate information is also being collected:
 - Name, Incorporation ID, BN9#
 - Company Administrator
 - ePay Financial Administrator
 - General Finance Email
 - Transfer Administrator

1. Information Collected From Industry

Gas Gathering Systems

- Need all of Industry's Gathering Systems for conversion.
 - Gathering systems are currently not used in BC reporting.
 - Enbridge currently cascades to Receipt Points (RP) in their allocations.
 - Petrinex process is to cascade back to an actual Facility ID.
 - Enbridge RPs will become Gathering Systems.
 - Must also identify all gathering systems for non-Enbridge allocations.
 - Must coordinate with Industry to create all gathering systems in BC and assign operatorship.

1. Information Collected From Industry

Gas Gathering Systems Cont'd.

- Each company will have the opportunity to provide a list of their operated gathering systems.
- Petrinex will be sending Change Leaders a spreadsheet template to fill out with instructions.
- The same information that would be required to set up the facility online in Petrinex will be provided in the spreadsheet.
- Recommend that companies use the same number for a gathering system as they have set up in their accounting systems.
- Duplicate numbers will have to be assigned a new number. There can only be one gathering system with a particular number.

1. Information Collected From Industry

Gas Gathering Systems Cont'd.

- All Enbridge Receipt Points will be converted to gathering systems. These will be provided in the spreadsheet as examples.
- Enbridge is also providing the operators of these new gathering systems. Companies are encouraged to review the list.
- If operators believe that a converted receipt point should be a battery and not a gathering system, please communicate that to us when you send the spreadsheet back.
- The new gathering systems will use the same number as the receipt point. However, if a receipt point should be a battery, then we will work with the operator to determine which battery (as converted by OGC) is the correct one.

1. Information Collected From Industry

Meter Stations

- Gas moving onto and off of a pipeline is reported in Petrinex using a Meter Station ID.
 - Residue gas moving from a gas plant or dry gas source to a downstream sales pipeline.
 - Gas returned from a pipeline to the field for Industry use (ex: return fuel).
- Integral part of volumetrics and gas allocations.
 - Certain volumetric transactions reported at meter stations trigger a need for an allocations split.
- Meter stations are not currently licensed by the Commission and will, therefore, not be part of their facility conversion.

1. Information Collected From Industry

Meter Stations Cont'd.

- Meter stations are operated by the pipeline operator.
- Work has already begun with Enbridge and TCPL.
 - Will continue to work with these companies to ensure meter stations are set up with the proper subtype, common stream operators, and auto-populate options.
 - May have to approach common stream operators for input as well.
- Meter stations will be set up for Alliance & PNG as well.
- It is believed that there are no producers that operate sales gas pipelines/meter stations.

1. Information Collected From Industry

Pipelines

- Petrinex requires all gas transporter, gas distributor, oil, and NGL pipelines.
- Like gathering systems and meter stations, they are not part of the Commission conversion.
- The gathering system template spreadsheet being circulated to Change Leaders will also include a tab to provide any operated pipeline information.
- It is believed there are only a few pipelines outside of the sales gas pipelines operated by Enbridge, TCPL, Alliance, PNG.

1. Information Collected From Industry

Gathering System Template Example

Facility ID	Location	Facility Name	Operator
BCGS0000123	A-001-E/001-J-01	Jones Creek	Global Oil Ltd.
BCGS0000541	01-01-001-10W6	Blue Jay South	Global Oil Ltd.

Pipeline Template Example

Facility ID	Pipeline Type (Gas Transporter, Gas Distributor, Oil, NGL)	Location	Pipeline Name	Operator
BCPL0000111	Gas Transporter	A-001-E/001-J-01	Global Gas	Global Oil Ltd.
BCPL0000789	Oil	01-01-001-10W6	Global Oil	Global Oil Ltd.

- Facility ID is BCGS or BCPL followed by 7 digit number
- Can use same number as accounting system with leading zeroes.
- Duplicates will have to be assigned a different number.
- Location must be valid NTS or DLS location.
- The Pipeline Type determines what subtype to use in conversion.
- Provide only operated facilities.
- List Operator Name, can include BA ID if known.

1. Information Collected From Industry

- All information collected from individual companies will be added to a master list.
- Target to get all information back by May 1.
- Collected information will be turned into a conversion file that will be loaded into the test environment for the next major conversion load (June/July).
- Any errors can be corrected based on the results of the load.
- The final version of the conversion file will be loaded for Go-Live to ensure facilities are available for reporting.

2. Conversion Information Files Shared With Industry

- Certain conversion files being loaded from BC systems into the Petrinex test environment will be shared with Industry.
 - Well Status
 - Facility
 - PCOS Equipment (Finance & Commission)
 - PCOS Linkages
 - Royalty Tax Payer & Royalty Tax Attributes
- A conversion file contains all of the information for a particular data set for all of Industry (i.e. well status file contains all wells in BC).
- Files will be saved in a spreadsheet format to allow industry to search and filter content easily.
- Experimental well information will not be included as this is confidential.

2. Conversion Information Files Shared With Industry

- The next conversion is scheduled to begin **February 5**.
- All conversion files will be posted on a webpage to be determined in the next couple of weeks.
- A link will be posted on the BC Initiatives Page of the Petrinex website when available.
- An Email will also be sent to all Change Leaders when the files are posted.

2. Conversion Information Files Shared With Industry

Well Status File

- Well Event ID
- Licensee
- License #
- Gross Completion Interval Top & Bottom
- Pool
- Well Status & Status Date
- Facility Link
- Commingling Data

2. Conversion Information Files Shared With Industry

Facility File – General Information

- Facility ID
- Start Date
- Subtype # & Description
- License # (OGC Fac ID)
- Location
- Facility Name
- Operational Status
- Facility Operator

Battery Specific Information

- Primary Gas Plant
 - Used for the weighted average royalty rate in calculating the PCOS deduction.
- Returned Fuel Flag (Y/N) – *to be provided by Industry after Go-Live*
- Returned Fuel Gas Plant – *to be provided by Industry after Go-Live*

2. Conversion Information Files Shared With Industry

Terminal Specific Information

- Physically Connected to a Pipeline (Y/N)
- Terminal – Pipeline Link
 - *Industry can provide after Go-Live, but not critical to reporting.*

Meter Station Specific Information

- Common Stream Operator
- Meter Station – Pipeline Link
- Auto-Populate Flow Through (Y/N)
- Auto-Populate Facility Link
 - *Not part of upcoming conversion load. Working with Industry to define meter station list.*

Note: File will include all facilities along with well linkages (if applicable) that have reported activity within the last 3 years.

2. Conversion Information Files Shared With Industry

PCOS Equipment

- Finance is providing data for most equipment types.
 - Dehydration Units, Compressors, Field Processing Units, Line Heaters, Alberta/NEB Gathering Lines
- The Commission is providing licensed BC Gathering Lines.
 - Includes the Commission Project & Segment ID.
 - Previous gathering line IDs used in prior submissions are no longer valid.

2. Conversion Information Files Shared With Industry

PCOS Linkages

- Finance is converting most equipment linkages for batteries based on the previous PCOS submission.
 - All equipment types except for the new BC Gathering Line IDs provided by the Commission.
- Industry will be responsible for linking the new gathering lines to their batteries after Go-Live.
- Industry is highly encouraged to begin updating internal records with new gathering line IDs early.

2. Conversion Information Files Shared With Industry

Royalty Tax Payer (BC12)

- Lists who the royalty payers are for an Ownership Type (Crown or Freehold) for a given stream ID and product.
- Stream ID is a well or unit, product is oil or gas.
- Each stream has an RTP Operator.
 - Operatorship can be changed online in Petrinex.
- Tract information (number & tract factor) for units only.

Royalty Tax Attributes

- Wells
- Units
- Net Profit Royalty Projects
- Long Term Royalty Agreements
- Revenue Sharing Agreements

Note: RTP/RTA information is straight out of Finance systems. It has not been changed for Petrinex.

2. Conversion Information Files Shared With Industry

- Change Leaders should ensure that their company reviews the files that are of importance to them to identify any possible errors or missing data.
 - Wrong facility type or subtype, well-facility linkages, well statuses, PCOS linkages, etc.
 - Missing wells, facilities, PCOS equipment, etc.
- Errors should be reported to the Commission or Finance as appropriate.
 - Specific contact information to be provided.
- Conversion files will be updated and re-posted around June/July.
 - Target to have corrections and Industry collected facilities (GS, MS, PL) in next update.
- A determination will be made as to whether another update and review is necessary prior to Go-Live.

3. Activities at Go-Live

Primary USA Creates Users/Roles

- User IDs must be created and assigned User Security Roles before any reporting can commence on Petrinex.
- Use Security Roles define which functions a user can perform in Petrinex.
- At least one user must be created for each company. The Primary & Backup USA cannot perform reporting functions in Petrinex.
- The Primary and Backup USA will continue to manage user access and roles going forward.
- Instructions for setting up the USA and for setting up users will be communicated in Appendix 11 of the PBCIP Industry Readiness Handbook closer to Go-Live.

3. Activities at Go-Live

Enter Opening Inventories in Volumetrics

- Opening inventories will not be collected prior to Go-Live as there is not much time between reporting the ending inventory for the prior month and getting that number converted into Petrinex ahead of time.
- Users will report opening inventories as Inventory Adjustments in Petrinex.
 - Inventory at Facility level will use activity INVADJ
 - Load Inventory at Well level will use activity LDINVADJ
- Closing inventories will be reported using normal Petrinex activities (INVCL or LDINVCL for load inventory).
- Opening inventories going forward will be auto-populated from the prior month's closing inventory.

3. Activities at Go-Live

Infrastructure Updates - Facility

- Operators of batteries that receive return fuel that is eligible for a credit **MUST** update the returned fuel information in Facility Infrastructure.
 - Applies to facilities receiving return fuel from a meter station.
 - Set the Returned Fuel Flag to “Yes.”
 - Enter the associated Returned Fuel Gas Plant ID for credit purposes.
- Return fuel credits cannot be determined if this information is not provided.
- Operators of terminals that are physically connected pipelines may **optionally** update pipeline link information in Facility Infrastructure.
 - Set the Physically Connected to a Pipeline flag to “Yes.”
 - Enter the associated Pipeline ID in Terminal-Pipeline Link.

3. Activities at Go-Live

Infrastructure Updates – Royalty Tax Payer Operator

- The RTP operator is responsible for maintaining the list of royalty payers for that particular stream and product for the appropriate ownership type (Crown or Freehold).
- Companies that have been assigned RTP operatorship responsibility for a stream may use the Operator Changes functionality in Petrinex to request an operator change if necessary.
- Initially at Go-Live, the most likely reason would be a well Licensee who is transferring operatorship to the contracted Facility Operator that the well (stream) is linked to.

3. Activities at Go-Live

Related Business Associates for Oil Valuation Purposes

- Oil that is delivered to a terminal, pipeline, or waste plant requires a pipeline splits submission where the volume is broken out into its individual owners and purchasers.
- An Oil Valuation Royalty Tax Payer record is created for each owner listed in a pipeline split and an Oil Valuation Purchaser record is created for each purchaser.
- Both the Owner and Purchaser must submit their oil valuation pricing information. The owner's price is compared to the purchaser's price as an audit check and must match.
- Some companies market their own volumes. In these cases, both the owner and the purchaser in the pipeline split are the same. This is considered non-arm's length. In these cases Petrinex does not create the Oil Valuation Purchaser record.

3. Activities at Go-Live

Related Business Associates for Oil Valuation Purposes Cont'd.

- Sometimes a company's producing and marketing functions can have different Business Associate IDs. As this is still a non-arm's length sale, Petrinex must be able to determine that they are related for the purposes of oil valuation.
- Companies may enter their Related Business Associates in the Audit menu section of Petrinex.
- By entering the related BA ID, Petrinex knows not to create an Oil Valuation Purchaser record when these 2 companies are used together in a pipeline split.

3. Activities at Go-Live

Linking Gathering Lines to batteries for PCOS

- Industry must link the new BC Gathering Line IDs provided by the Commission to their batteries for PCOS reporting.
 - Alberta/NEB gathering lines already provided by Finance.
- All Gathering Line IDs can be found in the PCOS Equipment List.
- As mentioned previously, list will be available to Industry prior to Go-Live to start updating internal records.
- Equipment is linked to a battery in Petrinex using the PCOS Management screen.
- Industry has until December 31, 2018 to update the gathering line linkages in Petrinex.

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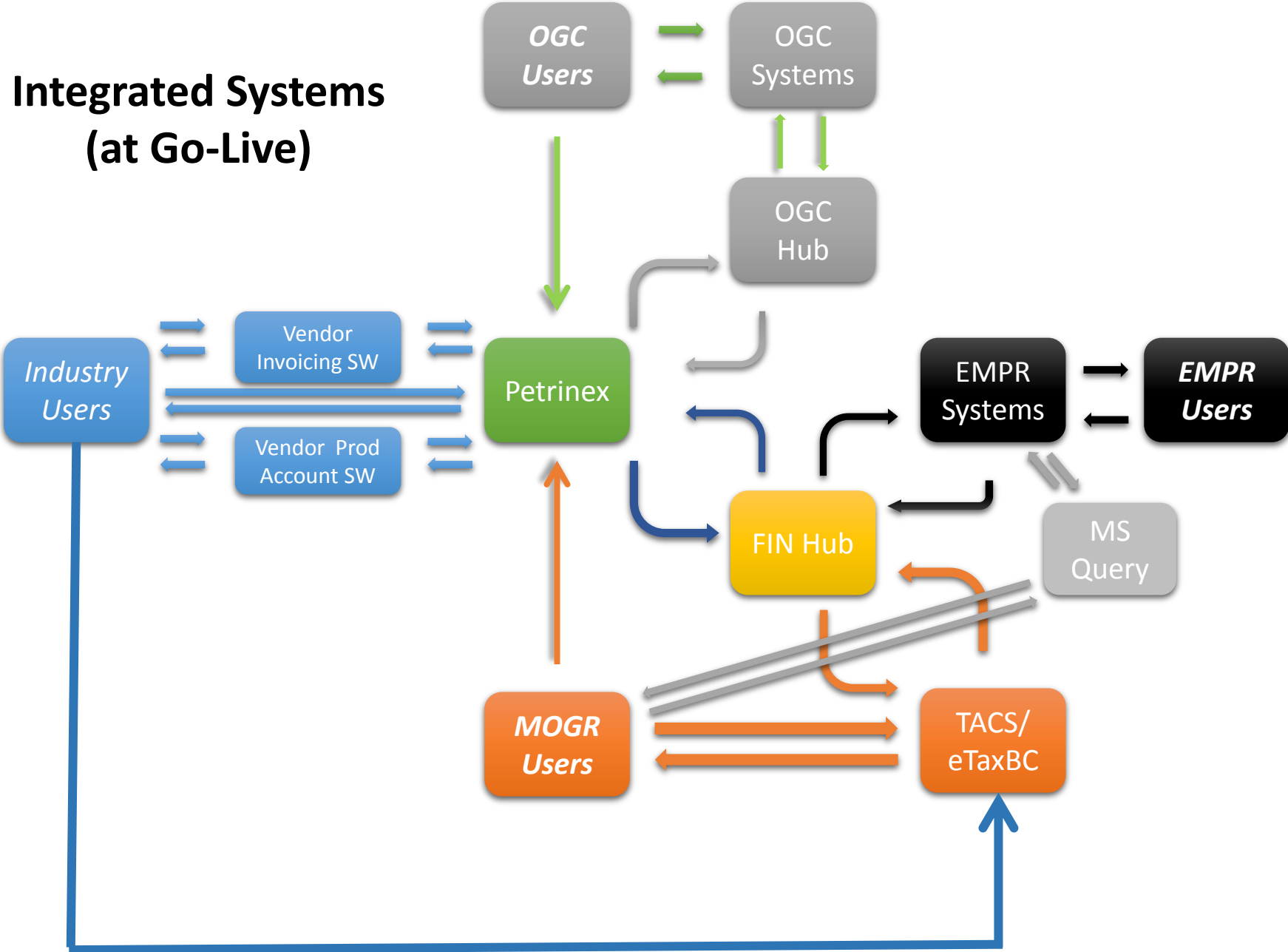


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RTI Phase 3 Cutover Strategy

January 24, 2018

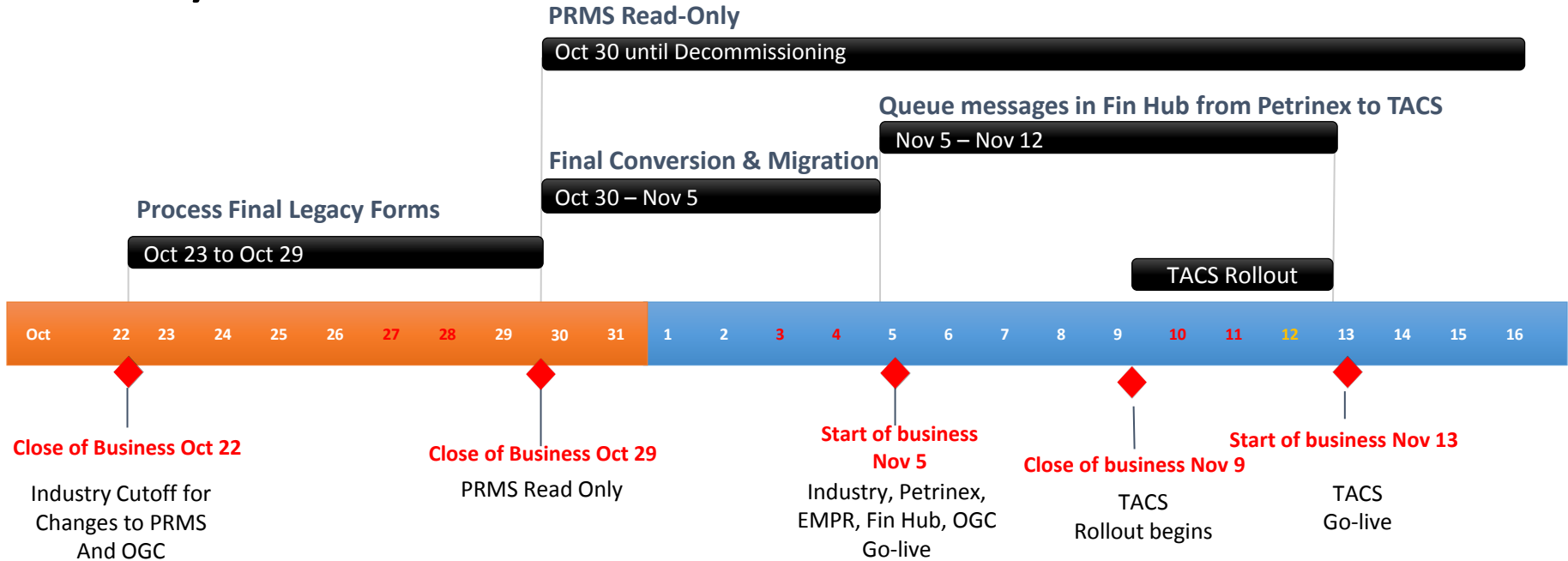
Integrated Systems (at Go-Live)



Endorsements

Organization	Represented by
Energy Mines & Petroleum Resources	Geoff Turner
Finance IMB (Hub)	Michelle Evans
ESIT	Dylan Fraser
Finance Mineral Oil & Gas Revenue Branch	Kathy Brulotte
Tax Administration & Client Services PM	Olav Thyvold
Industry (Petrinex)	Steve Freeman
Industry (CAPP)	Rob Newberry
Finance Petrinex Project PM	Dave Rogers
Oil & Gas Commission	Mike Janzen
Alberta Petrinex	Farhat Siddiqui
Petrinex Development PM	Christian Traue

Key Dates



- Industry cutoff for changes to legacy PRMS and OGC systems is close of business Oct 22, 2018;
- PRMS and OGC systems are read-only close of business Oct 29, 2018.
- Petrinex goes live with production reporting Nov 5, 2018;
- Fin/OGC/Petrinex conversion teams migrate and convert between Oct 30, 2018 and Nov 4, 2018 (6 calendar days);

- ▶ MOGR and OGC processes final legacy paper forms between Oct 23, 2018 and Oct 29, 2018;
- ▶ Industry, Petrinex, OGC, EMPR and the Fin Hub are in production start of business Monday Nov 5, 2018;
- ▶ The Fin Hub will hold messages in a queue from Nov 5, 2018 until TACS goes live on Nov 13, 2018;
- ▶ TACS will process the queue starting Nov 11 to bring TACS completely up-to-date for start of business on Nov 13, 2018.

For Oil

Production Month	BC System	BCS1 BCS2	BC12	Estimate	BC09	Invoices	Payment	BC-15
AUG	PRMS - Receiving/Invoicing	25-Sep	20-Sep	25-Sep	30-Sep	10-Oct	22-Oct	22-Oct
SEP	PRMS - Receiving	↓ 22-Oct	20-Oct	↓ 22-Oct				
	TACS - Invoicing				30-Oct	20-Nov	25-Nov	
Petrinex Feeds	BC System	Volumetrics	Allocations	Estimate	Valuation / Sales	Invoices	Payment	
OCT	TACS - Receiving/Invoicing	20-Nov	25-Nov	Not Req.	10-Dec	23-Dec	31-Dec	

Note, MOGR will receive BC-09 information and hold until TACS goes live and enter the information into TACS

For Gas

Production Month	BC System	BCS1, S2, BCS18, BC19	To EMPR BC19 Enbridge / Spectra	To EMPR Industry Sales Invoices & COS	BC08	From EMPR GAS Pricing	Invoice	Estimates	Payment	BC-15
JUL	PRMS - Receiving/Invoicing	25-Aug	25-Sep	17-Sep	01-Oct	30-Sep	10-Oct	25-Sep	22-Oct	22-Oct
AUG	PRMS - Receiving	25-Sep	15-Oct	15-Oct	22-Oct	22-Oct		22-Oct		
	TACS - Invoicing						20-Nov		25-Nov	
SEP	PRMS - Receiving	22-Oct	15-Nov	15-Nov						
	TACS - Receiving/Invoicing				15-Nov	25-Nov	30-Nov		05-Dec	
Petrinex Feeds	BC System	Volumetrics / Allocations		To EMPR Industry Sales & COS	Allocations & NGL Sulpur valuation	From EMPR GAS Pricing	Invoice	Estimates	Payment	
OCT	TACS - Receiving/Invoicing	20-Nov	25-Nov	09-Dec	10-Dec	20-Dec	23-Dec	Not Req.	31-Dec	

Can we have one invoice run on Nov 30 for the Aug and Sep production months?

Cutover Coordinator

- Role

- The RTI Phase 3 Cutover Coordinator is responsible for managing the 'cross-project' cutover activities, resources and information. Each project manager is responsible for the 'detailed' cutover activities within the scope of their project.

- Responsibilities

- Organize and lead a 'tabletop' cutover exercise;
- Supports planning and coordination of the 'cross-project' cutover activities;
- Maintains and communicates updates to the Cutover Plan;
- Maintains and communicates updates to the Risk Management Plan;
- Acts as the single point of contact for management, project managers and steering committees;
- Coordinates communications to project managers and steering committees as required;
- Schedules and organizes meetings as required with the appropriate parties to resolve cutover issues and determine appropriate contingencies; and
- Keeps updated records of the progress of the cutover plan including tracking issues, recording decisions and managing risks.

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Update from the BC Ministry of Finance

Streamlining the royalty collection process

**proposed changes are subject to regulatory approval*

1. Royalty tax estimate
2. Royalty invoice date
3. Payment due date
4. Payment process
5. Prior period adjustments
6. Interest on refunds
7. Deemed royalty
8. Reporting deadlines

Royalty Tax Estimate

Current process

- Producers must maintain an estimate deposit equal to the expected royalty due for each production month

Change expected

- The royalty estimate will be eliminated
- Deposits held on account to be returned to producers or can be used to pay outstanding balances

Royalty Invoice Date

Prod = Production Month

Invoice Type	Current process Invoice issued on	Change expected Invoice issued on
Oil: Initial invoice	10 th day of the month (Prod + 2)	23 rd day of the month (Prod + 2)
Oil: Amended invoice	15 th day of the month (Prod + 2)	23 rd day of the month (Prod + 2)
Gas: Initial invoice	10 th day of the month (Prod + 3)	23 rd day of the month (Prod + 2)
Gas: Amended invoice	15 th day of the month (Prod + 3)	23 rd day of the month (Prod + 2)

Payment Due Date

Prod = Production Month

Invoice Type	Current Invoice Due Date	Expected Invoice Due Date
Oil: Initial invoice	25 th day of the month (Prod + 2)	Last day of the month (Prod + 2)
Oil: Amended invoice	25 th day of the month (Prod + 2)	Last day of the month (Prod + 2)
Gas: Initial invoice	25 th day of the month (Prod + 3)	Last day of the month (Prod + 2)
Gas: Amended invoice	25 th day of the month (Prod + 3)	Last day of the month (Prod + 2)

Payment process

Current process

- Payments can be made electronically, or
- By mail and in-person using cheque, bank draft, and money order
- A BC-15 form is submitted with payment

Change expected

- A BC Government payment portal will be available (eTaxBC)
- eTaxBC provides account balances, transaction detail and payment options
- Other payment options are under consideration

Prior period adjustments

Current process

- Producers are provided up to 72 months to submit reporting data adjustments for a production period
- Amendment are requested by submitting revised volumes and values using the same forms used for initial reporting (paper or electronic)

Change expected

- Adjustments to prior periods will not be handled through Petrinex
- A separate mechanism to receive requests will be developed
- Producers will continue to have 72 months to make adjustments
- Producers are recommended complete adjustments before conversion
- The revised invoice will be delivered through Petrinex
- Payments can be made through eTaxBC

Interest on refunds

Current process

- The interest rate set for refunds due is the prime rate
- Interest is paid until the amount is refunded

Change expected

- The refund interest rate set as prime less 2%
- Interest on balances owing will accrue after 60 days

Deemed royalty

(Provisional Assessment)

Current process

- An estimated assessment for unreconciled volumes by way of an audit

Change expected

- A deemed royalty is similar to the Alberta and Saskatchewan provisional assessment
 - assessed if a facility operator has a negative unreconciled volume
 - reversed when the unreconciled volume is allocated
 - a function of the unreconciled volume, crown interest, royalty rate and price
- The deemed royalty calculation will be different for each product: marketable gas, natural gas by-products and oil

Reporting Deadlines

Prod = Production

Data	Current process Due By	Change expected Due By
Volumetric data	25 th day of the month (Prod + 1)	20 th day of the month (Prod + 1)
Allocation data	End of the month (Prod + 2)	25 th day of the month (Prod + 1)
Gas Sales Invoice data	10 th working day of the month (Prod + 2)	9 th day of the month (Prod + 2)
Cost of Service data	10 th working day of the month (Prod + 2)	9 th day of the month (Prod + 2)
Valuation and Sales data	End of month NGL/Sulphur: Prod + 2 Oil: Prod + 1	10 th day of the month (Prod + 2)

Communication/Resources

British Columbia's Petrinex Project Web Page

- <https://www2.gov.bc.ca/gov/content/petrinex>

Petrinex Initiatives Page

- [Petrinex British Columbia Inclusion Project](#)
- [PBCIP Industry Readiness Handbook: Appendix 8: BC Business Process Changes](#)

BC's Revenue Transformation Initiative (RTI - Gentax) interface inquiries

- Olav.Thyvold@gov.bc.ca, Project Director Revenue Transformation Initiative
- Phone: (778) 698-5176

General BC Ministry of Finance Related Project Inquiries

- Ross.Cooke@gov.bc.ca, BC Finance Project Manager
- (778) 698-5029

Agenda

- I. Introductions
- II. Project Overview
- III. Interoperability Testing
- IV. Update from the BC Oil & Gas Commission
- V. Industry Conversion Communication Plan
- VI. Cutover Strategy
- VII. Update from BC Ministry of Finance
- VIII. Important Dates & Steps to Readiness**
- IX. Questions

Important Dates: Conversion Activities and Interoperability Testing

Prior to Petrinex Go-Live		
Target	Activity	Responsibility
Now	<ul style="list-style-type: none"> Submit Interoperability testing files for Volumetrics & Waste Plant 	Vendors/Industry
Early Feb	<ul style="list-style-type: none"> Change Leaders receive an email with a link to web page where conversion files are posted for Industry review. Email also contains a spreadsheet template and instructions for collecting operated gathering system/pipeline information. 	Petrinex
Feb-Go Live Ongoing	<ul style="list-style-type: none"> Review conversion files and communicate any errors or missing data to the Commission or Finance appropriately. 	Industry
April 30	<ul style="list-style-type: none"> Primary USA and other BA information must be submitted to the Commission 	Industry
May 1	<ul style="list-style-type: none"> Target for Industry to have submitted all gathering system/pipeline/meter station information back to Petrinex. 	Industry
May/June	<ul style="list-style-type: none"> Target to start receiving interoperability testing files for Allocations, Pipeline Splits, Valuation. Possible that certain functions may be ready earlier. 	Vendors/Industry
June/July	<ul style="list-style-type: none"> Conversion files refreshed and reposted to webpage. New files should include corrections and newly created gathering systems, pipelines, and meter stations. 	Project Team
Aug/Sep	<ul style="list-style-type: none"> Possible last refresh of conversion files posted to webpage. 	Project Team
??	<ul style="list-style-type: none"> Login/Password information communicated to Primary USA. 	Commission

Important Dates: Conversion Activities and Interoperability Testing

Post Petrinex Go-Live		
Target	Activity	Responsibility
Nov 5	<ul style="list-style-type: none"> • Petrinex Go-Live for October Production Month. 	Project Team
	<ul style="list-style-type: none"> • Primary USA sets up users and roles for their company. 	Industry
Early Nov	<ul style="list-style-type: none"> • Update opening inventories from September Prod Month ending inventory. 	Industry
	<ul style="list-style-type: none"> • Operators of batteries eligible for return fuel credits must update the Returned Fuel settings in Facility Infrastructure. 	Industry
	<ul style="list-style-type: none"> • Request an Operator Change for any stream (well, unit) in which another BA should be responsible for submitting Royalty Tax Payer information. 	Industry
	<ul style="list-style-type: none"> • Enter any Related BA relationships for Oil Valuation purposes. 	Industry
Dec 31	<ul style="list-style-type: none"> • Ensure all new gathering line IDs are attached to batteries for PCOS reporting purposes. 	Industry


Important Dates: Reporting Changes for Cutover

PRE-PETRINEX REPORTING			
July Production Month			
GAS	22-Oct	Invoice Payment	3 Days Early
		BC-15 (Gas)	Early & Last Time
August Production Month			
FORMS	22-Oct	BC-08	9 Days Early
GAS	22-Oct	Estimates (for Sep)	3 Days Early & Last Time
	20-Nov	Invoice	Later
	25-Nov	Invoice Payment	Short Turnaround
OIL	22-Oct	Invoice Payment	3 Days Early
		BC-15 (Oil)	Early & Last Time
September Production Month			
FORMS	20-Oct	BC12	Last Time
	22-Oct	BC-S1, BC-S2, BC-19	3 Days Early
	30-Oct	BC-09	
	15-Nov	BC-08	15 Days Early
GAS	30-Nov	Invoice	10 Days Early
	05-Dec	Invoice Payment	Early
OIL	22-Oct	Estimates (for Oct)	3 Days Early & Last Time
	20-Nov	Invoice	Later
	25-Nov	Invoice Payment	Short Turnaround

Important Dates: Reporting Changes for Cutover

PETRINEX LIVE		
October Production Month		
REPORTING	21-Nov	Volumetrics
	25-Nov	Allocations
	10-Dec	Valuation (Oil, NGL, Sulphur)
GAS	23-Dec	Invoice
	31-Dec	Payment
OIL	23-Dec	Invoice
	31-Dec	Payment

Steps to Readiness Summary

1.	Identify and Register a Change Leader for your Company.	
2.	Understand the impacts of PBCIP on your Company.	Now
3.	Have a Plan to respond to New Changes.	Now
4.	Prepare your Systems.	Now
5.	Ensure your staff members are Trained.	Q3-4
6.	Implement required Pre-Go-Live activities.	Ongoing
7.	Go-Live and get the benefits.	Nov. 5

- A Change Leader has been registered for every company!
- The Change Leader will receive all communications related to conversion and should ensure that all responses from the company (Primary USA, operated gathering systems/pipelines, corrections to conversion files) are sent to the appropriate contacts on time.

Steps to Readiness Summary

1.	Identify and Register a Change Leader for your Company.	✓
2.	Understand the impacts of PBCIP on your Company.	Now
3.	Have a Plan to respond to New Changes.	Now
4.	Prepare your Systems.	Now
5.	Ensure your staff members are Trained.	Q3-4
6.	Implement required Pre-Go-Live activities.	Ongoing
7.	Go-Live and get the benefits.	Nov. 5

- Continue to read updates the PBCIP Industry Readiness Handbook.
- Create a plan to determine which members of your company must be engaged in readiness actions.
 - Conversion activities prior to Go-Live
 - Those impacted by monthly reporting changes for cutover
 - Post Go-Live activities

Steps to Readiness Summary

1.	Identify and Register a Change Leader for your Company.	✓
2.	Understand the impacts of PBCIP on your Company.	Now
3.	Have a Plan to respond to New Changes.	Now
4.	Prepare your Systems.	Now
5.	Ensure your staff members are Trained.	Q3-4
6.	Implement required Pre-Go-Live activities.	Ongoing
7.	Go-Live and get the benefits.	Nov. 5

- Take the opportunity to test upload files.
 - Volumetrics and Waste Plant can be tested now.
 - Will communicate when Allocations, Pipeline Splits, and Valuation can be tested.
- Minimum computer specifications for Petrinex are provided in the PBCIP Industry Readiness Handbook.

Steps to Readiness Summary

1.	Identify and Register a Change Leader for your Company.	✓
2.	Understand the impacts of PBCIP on your Company.	Now
3.	Have a Plan to respond to New Changes.	Now
4.	Prepare your Systems.	Now
5.	Ensure your staff members are Trained.	Q3-4
6.	Implement required Pre-Go-Live activities.	Ongoing
7.	Go-Live and get the benefits.	Nov. 5

- Instructions for setting up the Primary USA and users will be communicated as Go-Live gets closer.
- Petrinex learning resources will continue to be updated and communicated.

Steps to Readiness Summary

1.	Identify and Register a Change Leader for your Company.	✓
2.	Understand the impacts of PBCIP on your Company.	Now
3.	Have a Plan to respond to New Changes.	Now
4.	Prepare your Systems.	Now
5.	Ensure your staff members are Trained.	Q3-4
6.	Implement required Pre-Go-Live activities.	Ongoing
7.	Go-Live and get the benefits.	Nov. 5

- Review details and important dates presented today to ensure required conversion and cutover activities are completed on time.
 - Collection of Primary USA and operated gathering systems/pipelines
 - Review of posted conversion files from the Commission/Finance.
 - Deadlines affected by Cutover for July – October production months.
 - Post Go-Live activities
- The PBCIP Industry Readiness Handbook will be updated with details from this presentation.

Questions