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Volumetric and Infrastructure Petroleum Information Registry

VIPIR TEAM EVALUATES RFP SUBMISSIONS

July 28, 2000 was the closing day for submissions in the Request for Proposals (RFP) process to design the VIPIR registry. "A team of government and industry people is evaluating the submissions in a process that has been designed to be rigorous, transparent and fair," says VIPIR project director Jim Nichols. The project team hopes to notify the successful bidder by the end of August 2000.

Alberta Infrastructure is overseeing the RFP process, using the MERX system to provide information to bidders. The process included a bidder information session in June.

The RFP is for the development of the registry component of the VIPIR project. It does not include system changes that will be made by industry, service providers and software vendors or interface changes required for Department of Resource Development (DRD) and Alberta Energy and Utilities Board (EUB) systems.

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BUSINESS AREA ANALYSIS FINDINGS

By David Breakwell

VIPIR's Business Area Analysis (BAA) Report provides additional evidence that building a shared information registry provides the opportunity to streamline and re-engineer business processes in ways that will add value for the oil and gas industry and the Ministry of Resource Development. The registry will also facilitate better information management, save money and improve effectiveness.

VIPIR's Conceptual Design phase from June to November 1999 included an initial assessment of the development of a shared information registry and provided a detailed business case. The Business Area Analysis (BAA) phase takes Conceptual Design information to a level of greater detail and specification. Its objective is to document the business data, processing requirements and business rules for the development of the registry. The deliverable from this phase, the *BAA Report*, was a key component of the Request for Proposals (RFP) issued in June 2000 for the development of the registry.

Approach

The BAA team divided VIPIR's scope into five major business topics. These included infrastructure data; volumetric flow data and pipeline splits; reporting calendar and pricing information; allocation data and royalty calculations; and provisional assessment/penalty/fees/notification/security.

Deliverables
The BAA document contains a Business Report, Process Models and Data Models.

- The Business Report is the written text explaining the new business processes and business rules.

- The Business Process model uses a combination of Information Engineering Methodology (IEM) and Line of Visibility Engineering Methodology (LOVEM) modeling techniques. The result is a diagram that depicts the business requirements. Cross-references between the written text and the process models provide linkages between the two documents.

- The Business Data model is a diagrammatic and textual description of the data required to make the business processes work and the relationship between various data elements.

- In addition, the team developed a first draft of more detailed models called the Systems View. These models show clearly where processes physically occur (i.e. in the registry or in an existing ministry system), thus providing clarity to vendors bidding on the development of the registry. The successful vendor will validate and refine these models during the Business Systems Design and Technical Design phases of the project. The Systems View can be accessed on the VIPIR website under Appendix I at: http://www.resdev.gov.ab.ca/vipir/keydocs/ BusinessAreaAnalysisReport/BusinessArea Analysis.htm

Changes since the Conceptual Design Phase

Business Area Analysis resulted in a number of changes to the scope and design of the registry since the Conceptual Design report. The following is a list of operational changes reflected in the BAA report and their impact on VIPIR's business case:

Infrastructure
Details about the physical network of facilities (i.e. facilities which are physically capable of receiving petroleum products from other facilities) will not be stored on the registry in Phase 1. This will be identified as a future enhancement of the registry. *(Deleted from scope)*
Impact on the Business Case: None
No specific costs or benefits were identified for the creation of the physical network component.

The foundation to move to a standard Business Associate Code will be provided in the registry. Co-existence with existing codes and transition strategies will be considered, in order to minimize cost and business impacts to stakeholders. *(Added to scope)*
Impact on the Business Case: None
The registry design previously considered co-existence with existing codes to minimize the immediate cost and business impacts.

Extension of Allocation Factor Utility
The allocation factor utility was originally envisioned as an aid to small clients who may find it awkward and inconvenient to use owner allocation factors. This concept has been extended as the functionality is now viewed as a significant benefit to all industry clients. This utility will allow companies to input volumes and have the system calculate factors and upload them to the registry. Additional edits and reporting capabilities have been added to this utility. *(Added to scope)*
Impact on the Business Case: None
Costs for the utility were included in the original business case. Cost for additional edits and reports are insignificant.

This may reduce costs for service provider groups with the functionality to change volumes to factors in the registry, rather than being built into each of their systems.

Gas Royalty Invoice Cycle
The possibility of advancing the gas royalty calculation and invoicing cycle by one month (to the month following the month of production) was explored. The critical factors that are not available to meet this schedule are the Reference Prices. The information (not in scope for VIPIR) used to

calculate the Reference Prices will not be available any sooner than it is today. Changing the methodology to calculate the Reference Price was not pursued, as one of the VIPIR project principles was to leave royalty calculation variables unchanged. The gas invoicing calendar will remain unchanged. *(Deleted from scope)*
Impact on the Business Case: None
No specific cost or benefits identified for this in the original business case.

Security Access
The security access of the registry has been described to a greater level of detail to better define the scope of this component. A "profile" or "matrix" approach has been described which allows each client to define information access and functionality for their company.
(Clarification of scope)
Impacts on the Business Case: None
Costing for this component was included in the original business case.

Transporter Reporting
Meter station receipts and shipper splits will be reported as quantities, rather than using allocation factors. Oil pipeline and gas transporter companies have indicated that they will provide meter station receipt information to the registry, but still need to determine the costs and benefits to their organizations of using the registry to transmit shipper split information.
(Clarification of scope)
Impact on the Business Case: None
Pipeline/transporter benefits and costs were not included in the original business case. It is assumed that benefits will be at least equal to costs. Industry administrative benefits could be reduced slightly if pipeline/transporters choose not to use the registry for shipper split reporting.

This article is based on the Business Area Analysis Overview*, which can be found on the Resource Development website at:*
http://www.resdev.gov.ab.ca/vipir/keydocs/key docs.htm

QUESTIONS AND ANSWERS

What is the proposed Registry Reporting Calendar?

The proposed calendar will identify the timelines for volumetric and royalty reporting in Alberta. It will help ensure that the right data is readily available in the registry for industry and ministry users as they require it for business processes.

The VIPIR team saw creating and maintaining a reporting calendar as critical to the success of the project. It identified the timelines for volumetric and Crown royalty reporting activities (*BAA Report*, Chapter 8, p. 50) and developed a proposed calendar based on current deadlines. Each activity has been identified in the calendar.

(This can be accessed at:
http://www.resdev.gov.ab.ca/vipir/keydocs/ BusinessAreaAnalysisReport/BusinessArea Analysis.htm
Click on Excel Version of Appendix F1-F10 of the BAA Report. In Excel, click on F10 in the bottom toolbar.)

The VIPIR team also recognized the need for industry and the ministry to agree on the deadline dates established for the calendar. It will set up a committee to work out these deadlines. **If you wish to be part of this important process, please contact the VIPIR project office at (780) 415-6116.**

Why are the S23, S25 and S30 reports not included in the registry?

When the EUB "S" reports were reviewed for inclusion in the registry, it was decided to exclude the S23, S25 and S30 reports. Oil sands reporting has been excluded from the scope of the registry for Phase 1, so the S23 data will continue to be collected as it is today. The EUB's waste management group will review the future use of the S25 report, and for this reason it was not included. In addition, the S30 is a *daily report* and initially, the registry will be dealing with the *monthly* volumetric flow and allocation reporting

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along with the associated infrastructure data. Changes to business requirements may see these or other reports included at a later date.

Will paper reporting of volumes occur outside of the registry?

In order to provide a complete record to all stakeholders, all reporting of data within the scope of the VIPIR project needs to be done through the registry. For this reason, paper submissions will not be accepted**.**

The ability to query is one of the registry's many benefits. If manual reporting were allowed, the registry would contain less than 100 per cent of the required data. Industry and ministry users could never be certain that they are querying against a complete dataset.

Minimal technology will be needed to communicate with the registry (i.e. Internet access and e-mail service). Companies/clients who do not have or wish to have this technology will need to establish their communication link to the registry through other sources such as service providers or consultants to submit data to the registry on their behalf. The VIPIR project team is committed to making the transition to e-commerce as seamless as possible.