



Conventional Oil Forecasting Project Industry Readiness Guide

Version 1.3

Version	Release Date	Key Changes	Description
V 1.3	Dec 20, 2016	Updates related to Phase 1b	Updated Instructions for Readiness activities
V1.2	Oct 13/16	Updates to Overview and Phase 1a	Implementation date of Phase 1b
V1.1	Feb 3/16	2.0 Recommended Steps to Readiness – section 2	Added Marketing System Forecast Role
V1.0	January 25, 2016		Initial Release
Notes:			
<ul style="list-style-type: none"> • Change Leaders will be notified of all available updates to this Guide. 			

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Note:

The purpose of this document is to lay out industry readiness activities for a project and/or initiative and it was first published in February 2016 to provide the readiness activities for phase one of the project. That phase has been implemented and included the release of a new **Oil Forecast Report**. Information on that release is included in the Overview section.

Therefore we have updated the document to show the changes to section **1.0 Overview** of the Conventional Oil Forecasting Project and then updated the readiness activities to focus on the activities for the second phase which is the release of the **Oil Forecast Tool** in February 2017.

1.0 Overview

1.1 Overview of Conventional Oil Forecasting Project

The purpose of this guide is to inform Alberta Industry users of new conventional oil forecasting resources being introduced to Petrinex. These resources are targeted to help producers improve their forecasting of Alberta Crown royalty volumes on a monthly basis. Improvement of the Crown royalty share will also enhance forecasting of non-Crown volumes. This functionality will be implemented in two releases.

- February 2016 (has been implemented)
 - Oil Forecast Report
- February 2017
 - Oil Forecast Tool

Background

After over a year of industry consultation sponsored by the Wellhead-to-Dollars Committee (comprised of executive representatives from the DOE, APMC and Industry) a recommendation was made that an oil forecasting tool be developed on Petrinex and adopted as a standard across Industry. Development of the tool was approved by the Wellhead-to-Dollars Committee. Subsequently the CAPP Markets and Transportation Executive Policy Group, EPAC, the APMC and the Petrinex Steering Committee approved the tool and funding approach.

The original scope of the Oil Forecast Tool project included two components to be implemented Q2 2017:

1. **Part 1 - Gross and Crown forecast functionality** – jointly funded by Industry and the APMC. Industry was invoiced in October 2015 for its 50% funding share of this component.
2. **Part 2 - Non-Crown forecast functionality** – to be funded 100% by Industry through invoices to be issued in April 2016.

In light of the current economic environment the Oil Forecast Tool project scope has been modified and implementation timing accelerated.

- **Part 2 Non-Crown** forecast functionality (and related Industry invoice) will not be pursued at this time.

Part 1 - Gross and Crown forecast functionality proceeded in two releases:

- 1a. **Oil Forecast Report**: The Gross and Crown Forecast Report has been available to users starting late January 2016.

- 1b. Oil Forecast Tool:** The Gross and Crown Forecast Tool will be implemented February 2017.

Part 1a. Oil Forecast Report Overview

The **Oil Forecast Report** was an existing internal APMC report that was made available as a “temporary risk mitigation measure” by the APMC and will continue to be available for a period of time once the Oil Forecast Tool is released to facilitate the transition to the Oil Forecast Tool.

- The Oil Forecast Report:
 1. Is created in DOE/APMC systems at the well and battery level. Both versions are delivered monthly, prior to the forecast reporting deadline, through Petrinex in csv format.
 2. Is based on the last reported production month.
 3. Assumes the gross production volume rate has not changed, but adjusts for any variance in the number of days in the production month compared to the forecast month.
 4. Calculates the Crown Royalty share using the correct Par Price for the forecast month.
 5. Forecasts royalty using ARF formulae (max 40%), even if the well event was calculated with NWRR (5%) in the last reported production month.
 6. For EORP/DOEP relief programs, assumes that the well event is going to get the same relief volume in the forecast month and the relief volume will be subtracted from the Gross Royalty forecast (calculated with ARF by applying forecast month Par Price) to get the net royalty forecast.

- The Oil Forecast Report can be used to improve the Crown portion of the forecast as follows:
 1. It can be compared to gross/Crown forecasts generated by existing processes. Final forecasts can be modified using this information as appropriate.
 2. It can be uploaded into Marketing Systems for “template forward” volumes (when/if this functionality is made available by your system vendor).

Review the Job Aid titled “**How to Use the APMC Oil Forecast Report**” available on the Petrinex Website – Initiatives – APMC/Industry Conventional Oil Forecast Tool Project. This job aid provides detailed information on the data available on the report and how it can be used to help with the current forecasting process.

Accessing the Oil Forecast Report:

The Oil Forecast Report has been available each month in Petrinex since January 28th for the forecast month March 2016.

The report can be accessed via two menu options in Petrinex:

- The existing Ministry Invoices & Statement menu area.
- A new Manage Forecast Reporting menu area, if your BA USA created a role with this task included (See Readiness Section 2.2).

Having access to the Forecast Report via these two menu options will ensure that:

- all active BA's will have access to the report since existing users have access to Ministry Invoices & Statements.
- BA's will be able to create a separate user role that restricts user access to Forecast functions only (if desired).

Part 1b. Oil Forecast Tool Overview

The Forecast Tool (1b) will be available on Petrinex to Industry February 3rd, 2017.

- This functionality will be available to the User Security Administrator (USA) to set up users as required, including adding the additional tasks required for the oil forecast tool.
- These additional tasks include:
 - The ability to group your producing batteries via a Facility View List process which will allow users to align their Petrinex forecast reporting with how their marketers do the forecasts.
 - Additional information on this functionality is provided in the following job aid - How to create groups of batteries for Petrinex Oil Forecast Tool Functions.
 - Petrinex create each month an initial Gross and Crown forecast based on the facility view list (**group**), **facility** (producing battery) and/or **well event** level (3 levels), using historical volumetric data and the latest royalty program information available.
 - The ability for users to edit the gross production volume at any of the 3 levels available using online screens or batch files and Petrinex will recalculate the applicable Crown royalty.
 - The ability for users to request and/or download various reports including the Gross and Crown Royalty Report, a Facility View List Report and a Variance Report (showing actual volumes to forecasted volumes)

2.0 Recommended Steps to Readiness

Affected companies are being asked to identify an Oil Forecast Tool Project Change Leader (CL). The Change Leader's main role is to act as the primary point of contact for your company related to the new Oil Forecast Tool reporting process, and to ensure all individuals and systems affected by these changes are ready for February 2017 implementation (April forecast).

Note: We have incorporated the information related to Phase1a (Oil Forecast Tool) where applicable as the steps to readiness were similar for each phase.

Summary of Steps to Readiness for the Oil Forecast Tool Functionality (February 2017)
1. Contact Petrinex to provide your change leader information as soon as possible
2. Confirm with your USA who should have access to the Oil Forecast Tool functions.
3. Ensure your BA User Security Administrator assigns the appropriate roles to users or adds to existing roles created for Phase 1a
4. Ensure your staff are trained.
5. Take the opportunity to test the new forecast processes prior to go live

Detailed Steps to Readiness Phase 1b, the Oil Forecast Tool Functionality.

2.1 Contact Petrinex to provide your change leader information as soon as possible.

In February 2016, affected companies were asked to identify an Oil Forecast Tool Project Change Leader (CL). The Change Leader's main role is to act as the primary point of contact for your company related to the new Oil Forecast Tool reporting process, and to ensure all individuals and systems affected by these changes are ready for February 2017 implementation (April forecast).

The Change Leader will:

- receive information from the APMC and Petrinex with respect to the changes, and is expected to disseminate and ensure that information related to these changes is understood by others at your company who are impacted by the changes.
- be invited to attend Change Leader meetings focused on Oil Forecast reporting on Petrinex and related readiness activities.

If you have not already nominated a Change Leader for this project, please contact Mallory.Brown@gov.ab.ca and provide her with the name and email information for the Change Leader for your company.

2.2 Confirm with your USA who should have access to the Oil Forecast Tool Functions

The Oil Forecast Tool functions should be made available to users who calculate or review the BA's forecasts. These functions (tasks) will allow users to use Petrinex to calculate their oil forecast gross production and crown royalty volumes which then can be incorporated this information into their own forecast processes.

2.3 Ensure your BA User Security Administrator (USA) assigns the appropriate roles to users

In February 2016 the BA USA should have created one of the pre-defined Oil Forecast roles for specific users in the company, or alternatively the BA USA created custom roles of Oil Forecast functionality in order to provide user access to the Oil Forecast Report. At that time the report was the only task included in each of these roles.

As of February 3rd, 2017 the BA USA must assign the additional tasks included in each of the templates to their roles that they set up.

If you (the USA) did create these roles earlier, for step 2 - Use the drop down arrow and select the Role previously created and then follow the rest of the steps.

If you (the USA) have not created these roles, please follow the steps as stated.

To create an "Oil Forecast Edit" role -

1. From the Petrinex Menu select Security – Manage User Roles.
2. Click ADD and create a user role called "**Oil Forecast Edit**", Click OK.
3. Use the drop down arrow and select the Role previously created.
4. Click Task List.
5. Scroll down under Template or Role Name and select the template titled Petrinex – Oil Forecast Edit.
6. Select all of the tasks under Available Tasks and move them to Assigned Tasks.
7. Click OK.
8. Click Submit.

To create an “Oil Forecast Read” role -

1. From the Petrinex Menu select Security – Manage User Roles.
2. Click ADD and create a user role called “Oil Forecast Read”, Click OK.
3. Use the drop down arrow and select the Role previously created.
4. Click Task List.
5. Scroll down under Template or Role Name and select the template titled Petrinex – Oil Forecast Read.
6. Select all of the tasks under Available Tasks and move them to Assigned Tasks.
7. Click OK.
8. Click Submit.

Previously these template/roles had only the one task – Oil Forecast Manage Forecast Reporting. With the implementation of the phase 1b (tool functions) there are multiple new tasks that will not be automatically added to any existing roles.

If you are using a Marketing System (Petrotranz, Egistix, etc.) to retrieve the Oil Forecast Report, your BA USA will also have to provide a User ID and role for marketing system users under your BA.

To create a Marketing System Forecast Role -

1. From the Petrinex Menu select Security – Manage User Roles.
2. Click ADD and create a user role called “Marketing System Forecast Role”, Click OK.
3. Use the drop down arrow and select the Role previously created.
4. Click Task List.
5. Scroll down under Template or Role Name and select the template titled Petrinex – Oil Forecast Read.
6. Select all of the tasks under Available Tasks and move them to Assigned Tasks.
7. Scroll down under Template or Role Name and select the template titled Petrinex – Comprehensive.
8. Select the task “Server to Server Download” under Available Tasks and move it to Assigned Tasks.
9. Click OK.
10. Click Submit.

If your BA USA is experiencing difficulties with this task please contact the Petrinex Service at 403-297-6111 or 1-800-992-1144 (Toll Free) or by email to petrinexsupport@petrinex.ca. for assistance.

2.4 Ensure your staff are trained

As part of this project, training will be available to assist users in being ready to use the new reporting process and functionality. This training is provided through our internet-based online training modules, Tips and Job Aids which are accessible on the Petrinex website.

Oil Forecast Submissions training modules

All Petrinex functionality has associated web-based training modules available on the Petrinex website under User Resource Centre. Training modules on this new Oil Forecast functionality will be released and made available in user training profiles.

- If you currently have access to the training system you can access your training profile by clicking on the Resource Centre tab on the Petrinex website and clicking the Training Modules Login Link.
- If you currently do not have access to the Petrinex training system, you can use the Self-Registration form on the Training Modules Login Link to create a profile. For additional information on how to use the Self-Registration form click on the link **Access the Online Training System** on the Resource Center page on the Petrinex website.
- If you have forgotten your userid or password there are links on the Training Modules Login page. If you encounter issues with either of these links, please use the “Contact Us” link on the Petrinex Online Training Login page under the Read Me section.

Batch upload job aid

Oil Forecast information can be requested, modified and submitted via online screens or by uploading various batch files. There are two formats for batch files that can be loaded into Petrinex:

- a) Extensible Markup Language (XML) format – a computer file format used to communicate and transfer data between different computer systems. Specification documentation will be provided to 3rd party system vendors and are available on request by contacting the Petrinex Service Desk at petrinexsupport@petrinex.ca who will pass on your request as appropriate.
- b) Comma Separated Values (CSV) format – a computer file format based on a spreadsheet upload. See the Job Aid titled Oil Forecast Submissions Spreadsheet Upload Specifications and the associated Templates available on the Petrinex Website – Initiatives – APMC/Industry Conventional Oil Forecast Tool Project (<http://www.petrinex.ca/193.asp>): (or the User Resource Centre – Training Job Aids –Spreadsheet Upload Specifications and Templates

2.5 Take the opportunity to test your files prior to go-live

Petrinex staff will be available to run your batch files in a test environment during the months of December 2016 and January 2017. Sample batch files created by a software system or from spreadsheets can be emailed to Petrinex and the batch file(s) will be loaded and the processing results will be emailed back to the requestor.

Instructions for this testing will be available on the Petrinex Website under Initiatives – APMC/Industry Conventional Oil Forecast Tool Project – Documents - Industry Interoperability Testing Guide and Transmittal Form. Please note this testing will continue after the February go live date for as long as necessary to allow time for integration into a company's forecasting processes.

The following are various links and access to additional information related to this Project available on the Petrinex Website – Initiatives – APMC/Industry Conventional Oil Forecast Tool Project (<http://www.petrinex.ca/193.asp>):

- Job Aid – How to Use the APMC Oil Forecast Report (phase 1a)
- Job Aid – How to setup a group of batteries for forecasting (phase 1b)
- Job Aid –Submission Spreadsheet Upload Specifications
- Job Aid –Submission Templates
- Presentations and Q&A from the Oil Forecast Update Meeting on January 25, 2016

3.0 Key Contact Information

- Related to APMC forecasting processes, please contact Brendan Gray (APMC Director, Take-In-Kind) at 403-297-5443 or email: Brendan.gray@gov.ab.ca.
- Related to the new Forecast Report (phase 1a) and Forecast Tool tasks (phase 1b), please contact Ann Hagedorn at 403-297-3618 or email: ann.hagedorn@gov.ab.ca.