JOB AID

How To Use Petrinex Enhanced Valuation Audit Program (EVAP) Functionality

Jurisdiction	Release/Revision Date	Comment
SK	July 2, 2024	Updates throughout entire document and added new functionality for attaching additional documentation.
SK	January 20, 2014	Additional information on how to use the EVAP Declaration Required Report
SK	December 09, 2013	Initial Release – this Job Aid was created from information provided in the ECON Directive **R02-EVAP Program and Petrinex Reporting.**

Background:

The Enhanced Valuation Audit Program (EVAP) is a tool to ensure/enhance Industry's compliance with regulatory requirements related to oil price determination and reporting. The EVAP declaration requires an annual senior executive signoff with respect to Royalty Tax Payer (RTP) compliance and compliance controls related to oil price determination and reporting requirements.

- EVAP does not apply to RTPs that sell their raw crude oil at arm's length at an upstream facility such as a battery, terminal, or pipeline inlet (i.e. situations where an arm's length purchaser can validate the RTP reported raw crude oil price).

- EVAP does apply to RTPs that during a declaration period have any oil sales that meet the following conditions prior to being sold for the first time at arm's length:
  - their crude oil production is blended with condensate or natural gas liquids;
  - their crude oil is transported downstream of any (SK or out of province) terminal, pipeline inlet or rail transloader facility;
  - their oil is transported to the outlet of a single shipper pipeline via a buy/sell arrangement with the pipeline operator.

  These situations all require the RTP to calculate and report a raw crude oil price that can't be validated directly by the oil purchaser.

Users provide this information to the Ministry using Petrinex online screens found on the Petrinex Audit – EVAP menu. Each section will be discussed in this document.

1. Edit EVAP Declaration
2. Query EVAP Declaration
3. Edit Related Business Associate
4. Query Related Business Associate
5. Request EVAP Declaration Required Report

Note: all the above actions can be expanded or collapsed by clicking the appropriate [+ / -] symbol next to the editable or query row. When expanded the editable or query fields for that section are displayed in the lower part of the screen, allowing the user to make changes or review the information.

1. Edit EVAP Declaration

The edit EVAP declaration process allows a RTP to update and submit annual EVAP information for the current or prior calendar year with a status of incomplete.

This process includes three sections, including Download EVAP Submission Template, Declaration Signatories and Attached Documents.

a. Download EVAP Submission Template

To ensure RTP EVAP submissions are consistent and contain the appropriate data, the Saskatchewan Ministry of Energy & Resources (SER) has provided a link to their required template. The template includes separate worksheet tabs relating to Instructions, Risks, Controls, Calculations, etc. This template worksheet must be completed and attached to the declaration as backup documentation.

By expanding the "Download EVAP Submission Template" section users are provided template link to the SER website and the confirmation check box.

b. Declaration Signatories

Each RTP must identify senior executive signatories for signoff with respect to RTP company compliance and compliance controls. Before the EVAP declaration can be submitted one or more "active" signatories must be attached.

Expand the "Declaration Signatories" section to add, modify or delete a signatory.

- **Add –** allows the user to enter the signatory's contact information, start date and end date. A blank end date means End of Time (EOT).
- **Modify –** allows the user to change existing signatory information. A declaration signatory cannot be modified if the signatory has been used on a previous declaration. Should a person no longer be appropriate as a declaration signatory, the end date for the signatory must be set, making the signatory 'inactive'. 'Inactive' signatories are not included in the selection screen for the declaration.
- **Delete –** allows the user to delete a signatory from their list. A declaration signatory cannot be deleted if the signatory has been used within a previous declaration.

c. Attached Documents

The following attachments are required to be included to the online submission. Expanding the "Attached Documents" section allows the user to upload the required documents into Petrinex, to be reviewed by the Ministry.

- Signed EVAP Declaration
- Business Process (Excel, Visio or PDF)
- Completed EVAP Submission Template (Excel only)

- Sample Calculation Reference Documents (PDF and Excel only)

Clicking on the [+] symbol beside “Add new line” displays an additional input line if the user wishes to add additional optional documentation.

2. Query EVAP Declaration

This task allows the RTP to query EVAP Declarations they have previously submitted. By expanding the appropriate year and each subsequent section the following information is displayed.

- Confirmation of the template download
- Declaration Signatures
- Documents attached to the submission.
- Document from Review EVAP Declaration (if applicable).

3. Edit Related Business Associate

EVAP reporting is triggered when the owner/RTP BA ID and the purchaser BA ID identified in a pipeline split are related BAs (i.e. non-arm’s length BAs). The related business associate functionality in Petrinex facilitates the identification by an RTP of its related BAs involved in crude oil transactions. This process is an online process only and users are able to add, modify or delete their list of related BAs.

- **Add** – allows the user to select the BA identifier from the BA lookup, enter the start date and end date of the Related BA relationship. A blank end date means End of Time (EOT).
- **Modify** - allows the user to change the start and end dates. If changes are made, Petrinex will first validate if the Related BA has been used as a purchaser and the reporting BA has been used as an owner together in a pipeline splits submission and are impacted by a change to the start date and end date. If there are impacts in pipeline splits, then these must be resolved before the date changes are permitted.
- **Delete** - allows the user to delete a related BA from their list. A related BA cannot be deleted from the list if the Related BA has been used as a purchaser and the reporting BA has been used as an owner together in a pipeline splits submission at any time between the Related BA’s start date and end date. The pipeline splits purchaser must be changed before the Related BA can be deleted.

4. Query Related Business Associate

This task allows an RTP to query the identified business associates that are related to their BA for EVAP reporting along with the Start and End date of the relationship.

5. Request EVAP Declaration Required Report

The Request EVAP Declaration Request Report is available on a "user-requested" basis in PDF, CSV, or XML formats from the Petrinex Audit – EVAP menu, or by a Petrinex monthly "sweep" on the last day of each month. See the Petrinex Saskatchewan Reporting Calendars for the scheduled sweep report dates.

When the "Include Detail" radio button is selected, the EVAP Declaration Required Report will display the monthly occurrences where a pipeline split has been made by a facility operator identifying either the owner/RTP BA or a related BA as the purchaser of the RTP's oil.

If the "Include Detail" radio button is not selected, this report displays by year the status of an EVAP Declaration including if;

- Required,
- Submitted
- Approved/Accepted.

This report should be monitored regularly to identify circumstances that trigger the requirement to submit an EVAP declaration.

It is possible that an RTP BA may believe that they have received an EVAP Declaration Required Sweep Report in error (the owner/RTP does NOT purchase their own oil). This report is only generated when a pipeline split is submitted where the RTP BA or a Related BA is listed as the purchaser of the RTP's oil. It may be a simple case of finding the pipeline split in which this occurred and re-submitting with the correct Owner/Purchaser information. It may also be due to one of the common reasons listed below.

- There was a pipeline split re-submitted with the correct owner/purchaser information, however the oil valuation royalty/tax payer record was not re-submitted to reflect the change in the split. Unless both the split and the valuation have been submitted, the record will continue to show up on the EVAP Declaration Required Report; or
- Oil was delivered to a waste plant and the owner/producer is not being paid for the waste volume. Some companies are identifying themselves as the purchaser in the pipeline split when in fact the waste plant operator should be the purchaser and WO (waste oil) entered in the owner contract number. This will ensure that no oil valuation purchaser or RTP record is created.

For More information:
Related to Directive 02-EVAP Program and Petrinex Reporting, please contact ECON Support at png.support@gov.sk.ca or 1-855-219-9373

Related to Petrinex functionality, please contact the Petrinex Business Desk at petrinexsupport@petrinex.ca or 403-297-6111 or 1-800-992-1144 (Toll Free)