

Managing Allowable Cost Filings

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
AB	June 21/23	Updates throughout document	
AB	March 27, 2023		Update of the entire document
AB	February 11, 2010	Links to DOE Gas Royalty Calculation Information Bulletins	Updated links from 08-03 to 10-01
AB	April 2, 2008	Links to DOE Gas Royalty Calculation Information Bulletin and Petrinex AC2 and AC4 Summary Report generation of daytime running version of report	Updated links from 08-02 to 08-03 and updated Suggested Procedures 1(ii) and 1(iii)
AB	March 25, 2008	Links to DOE Gas Royalty Calculation Information Bulletin	Updated from 08-01 to 08-02
AB	February 11, 2008		Initial Release

Audience: Alberta Stakeholders who file allowable costs.

Purpose: This tip outlines how individuals filing allowable costs can increase the efficiency of their filing processes using Petrinex, the Department of Energy and Minerals (DOE) reports, and DOE procedures related to these filings.

Key Principles:

1. Using Petrinex and DOE reports to manage the submission process.
2. Relying on Petrinex edits in determining if your initial AC filings are correct.
3. Understanding the DOE's "grace period" rules for managing incorrect filings after the deadline.
4. Understanding the AC1 Delete process.
5. Being aware that Petrinex hours of operation are extended to accommodate filing near allowable cost deadlines.

1. Using Petrinex and DOE reports to manage the submission process.

a) DOE Expected AC2 Report

The Expected AC2 Report is generated by the DOE and delivered to the Ministry Invoices area of Petrinex. This report identifies the FCC operator on record as of a specific date and is generated to aid FCC operators in verifying the FCC operator status and the effective date of the status. In addition, it identifies if a valid Capital & Operating Cost Allowance AC2-V4 form has been submitted for a production year.

b) Petrinex AC2 Summary Capital Costs Report and Petrinex AC2 Summary Operating Costs Report

These reports are like the DOE Expected AC2 Report but can be requested at any time through Petrinex. This is a daytime running report when requested for one AER facility or up to 200 FCC's. All other requests are processed overnight. The AC2 Summary Report identifies all FCCs that a BA operates and FCCs where a BA has been named as an owner along with their filing status (confirmed, unconfirmed, missing or rejected).

c) DOE Expected Custom Processing Fees Paid AC5 Report

The DOE Expected Custom Processing Fees Paid (AC5) Report is generated by the DOE and delivered to the Ministry Invoices area of Petrinex and provides a complete listing of AER facilities and related FCCs where the operator of the FCC has allocated custom user volumes to the royalty client using the Custom Processing Adjustment Factor sections of a Capital & Operating Cost Allowance AC2-V4 submission.

d) DOE Energy Adjusted Gas Equivalent Volume (EAGEV) Report

The EAGEV report is generated by the DOE and delivered to the Ministry Invoices area of Petrinex twice prior to the filing deadline for all royalty clients and identifies volumetric allocations of production volumes (SAF/OAF and RMF2) at AER facilities. This report should be used in conjunction with the Expected Custom Processing Fees Paid (AC5) Report as a royalty client cannot file an AC5-V3 form unless volumes have been reported at the AER facilities identified on the EAGEV report.

2. Relying on Petrinex edits in determining if your initial AC filings are correct.

Petrinex and the DOE recommends that operators rely on the Petrinex edit process as a good initial indication that their submissions are correct and subsequently accepted by the DOE. In the event that the DOE identifies an error, this will be communicated to the operator and the operator can make the correction at that time. If the error is discovered after the deadline the operator can make a correction within the grace period as discussed below.

3. Understanding the DOE's "grace period" rules in managing incorrect filings after the deadline.

As outlined in the [Alberta Energy Natural Gas Royalty Guidelines](#), the DOE allows a 10-day grace period for penalties levied on the Capital and Operating Cost Allowances Form (AC2) if the initial submissions were made on or before the due date, but rejected due to DOE system edits. No penalty will be charged if the corrected submissions are received within 10 days following the month of the invoice in which the penalty charge was issued. As such, operators have in excess of the 10 days grace because of the AC deadlines and the timing of the invoice run, after they are notified of the error to make corrections.

4. Understanding the AC 1 Delete process.

An AC1 can be deleted from Petrinex under the following circumstances:

- a) There have been no AC2 or AC3 submissions for the FCC ID.
- b) There has been only one operator for the FCC.
- c) The FCC Id has not been referred to on any other FCC (i.e., as a previous FCC ID).

5. Being aware that Petrinex hours of operation are extended to accommodate filing near Allowable Cost deadlines.

Additional "Sunday openings" are added to the Petrinex hours of operations calendar each year during the allowable cost reporting season. On each of these extra Sundays Petrinex will be open between 6:00 am to 6:30 pm. Please refer to the [Petrinex Hours of Operations](#) calendar for the full schedule of Petrinex availability for any given month.

More information: Please contact the Petrinex Business Desk.

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