

Proper Use of PURDISP and PURREC

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
AB	June 8, 2015	More Information	Updated Contact Information for Volumetric & Cost Reporting (V&CR) team.
AB	May 28/14	Background More Information	4 th paragraph – “from” facility types ABBT, ABGS or ABGP Updated Contact Information for Volumetric & Cost Reporting (V&CR) team.
AB	October 23, 2013	Background – there is a clarification of the definition of use of PURDISP as a royalty trigger activity (second paragraph). Background – new business rule effective Nov 6 (last paragraph)	Tip should be read in its entirety.
	June 1, 2009	This Tip replaces the Tip entitled Proper User of PURREC and PURDISP dated Jan 30, 2004	Initial Release

Audience: **All Alberta Users**

Purpose: This tip describes a clarification to the definition of PURDISP as defined by the Department of Energy (DOE) and, effective November 6, 2013, a change to the proper use of **PURDISP** (purchased disposition) and **PURREC** (purchased receipt) when reporting volumetrics for Alberta in Petrinex.

Background:

The DOE collects Crown royalties based on specific volumetric transactions in Petrinex referred to as “Royalty Triggers”.

Clarification to Definition and New Business Rule:

The activity **PURDISP** is a royalty trigger, which identifies a **sale of lease fuel gas** from one facility to another that occurs within the royalty network.

In Alberta, a purchase disposition (PURDISP) is a DOE volumetric activity used to identify an in-network sale of fuel gas. This activity is required when the reporting facility type is ABBT, ABGS or ABGP and the From/To facility type is ABBT, ABGS or ABGP (inside the royalty network).

Whenever gas volumes are delivered outside the royalty network from facility types ABBT, ABGS or ABGP, the volumetric activity must be recorded as a disposition (DISP).

Effective November 6, 2013, stakeholders will **no longer** be allowed to file a PURDISP from an ABBT, ABGS or ABGP **to an ABIF**. This edit will be on a go forward basis and will also be enforced for amendments to all open periods equal to or greater than the production period 2009/01.

For additional information please review the [DOE Gas Royalty Information Bulletin – September 2013](#).

Key Principles:

When can a PURDISP be entered?

When there is a sale of gas (transfer of ownership) within the royalty network and the gas is entirely consumed for fuel gas.

- Example: If a Battery sells gas to another Battery, this is considered an “in royalty network” sale and Crown royalties are assessed on this transaction.
In order for Petrinex and the DOE to recognize this sale, the delivering battery operator must report a PURDISP which will:
 - auto-populate a PURREC at the receiving battery.
 - The delivering facility operator must then file an SAF/OAF for the PURDISP.

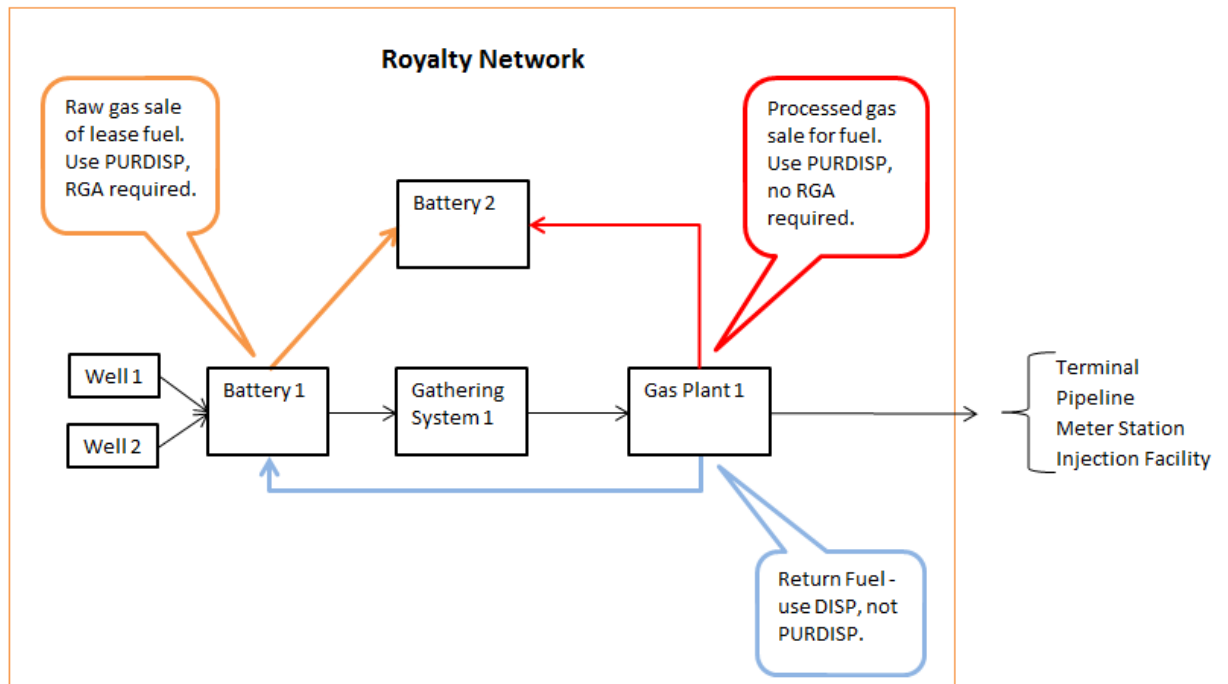
When can a PURREC be entered?

Receiving facility types ABBT, ABGS and ABGP can enter a PURREC from:

- Other Provinces and States (BC, SK, etc.).
- Alberta miscellaneous facility types like ABMC, ABCO, ABEG, etc.

It is important to note:

- If gas has been sent to the gas plant from a battery and the gas plant has returned gas to the same battery (example: a return fuel situation), there are no royalty triggers therefore this would be a REC at the battery not a PURREC.
- When a PURDISP is a raw gas sale, the DOE requires the seller to report the raw gas allocation using the Petrinex Raw Gas Allocation (RGA) process.
The activity PURDISP does not require ISCs (in-stream components) to be entered in the volumetric screen. If there is an existing RGA, the DOE will use the ISCs linked to the RGA. If not, they will use default ISCs for determining Crown royalty.
- Injection facilities (ABIF) are not allowed to file the activities PURDISP or PURREC.



More information:

Volumetric & Cost Reporting (V&CR) is the Front Line of contact for inquiries relating to volumetric and cost reporting as well as gas royalty calculation processes. V&CR is made of four teams as shown below:

Team	Lead
Volumetrics	Nicole Le Blanc
Costs	Sheruna Naidoo
Process Support	Penny White
Special Projects	Oana Jurgea

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TIP

For information related to Petrinex functionality please contact the Petrinex Service Desk:

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1-800-992-1144
E-mail petrinexsupport@petrinex.ca