

Extension of Shadow Billing for Certain Non-Compliance Errors and Application Process for Penalty Waiver

Release/Revision Date	Location of Change in this Document	Comment
June 27, 2013	Throughout the entire tip.	Please review this updated tip in its entirety
February 12, 2013		Initial Release

Audience: All Saskatchewan Users

Purpose: To explain the extension of shadow billing for certain non-compliance errors and remind users how to apply for a waiver using the interim penalty assessment waiver process.

Background: The shadow-billing period for non-waste plant volumetric errors ended at the reporting deadline for the September 2012 production month and the shadow-billing period for waste plant and royalty tax payer errors ended at the reporting deadline for the April 2013 production month. However, the shadow billing period for all other non-compliance errors was extended to the reporting deadlines for the July 2013 production month.

There are still a few unresolved issues around some of the Oil Valuation functionality in Petrinex. Saskatchewan is currently consulting with Industry on developing solutions to those issues and additional changes will be communicated over the next few months. As a result, Saskatchewan's Ministry of the Economy (ECON) has further extended the shadow billing period for all functionality related to Oil Valuation.

Shadow Billing Extension for Functional Areas Related to Oil Valuation:

The shadow billing period for all functional areas related to oil valuation, including the following list of functional areas, has been extended an additional 6 months to the reporting deadlines for the January 2014 production month.

- Pipeline Splits
- Oil Valuation – Royalty Tax Payer
- Oil Valuation – Purchaser
- Oil Valuation – Subsequent Purchaser
- Oil Valuation – Sales to Subsequent Purchaser

Key Waiver Principles:

ECON has developed a web based self-service waiver process and had initially planned to make that process available to Industry sometime in June 2013. However, as a result of a request by Industry to have additional Industry facing processes, including additional well and facility infrastructure processes, developed within Petrinex, the roll-out of the self-service waiver process has been delayed. Until a decision has been made with respect to where the self service processes will reside, the interim penalty assessment waiver process for non-compliance errors will remain in place.

The interim process is as follows:

- An invoice, for which waiver of a non-compliance penalty is being requested, must be paid in full by the due date indicated on the invoice before the waiver request/application will be considered.

- In addition, the Ministry must receive the waiver application/request on or before the 40th day after the invoice date (this step will only apply during the interim period to ensure the Ministry can process the waiver information into its billing system before the deadline specified in the regulations.)
- Once the web-based online submission functionality is implemented for Industry, the waiver application/request must be received by the Ministry on or before the 45th day after the invoice date as prescribed in [The Oil and Gas Conservation Regulations, 2012](#).
- A waiver can only be requested for actual (non-shadow-billed) non-compliance invoices (invoice numbers starting with the letter 'Z')
- To request a waiver, the BA must e-mail the Ministry at png.support@gov.sk.ca and provide the following information:
 - Invoice # (non-compliance invoice only).
 - Line numbers for those penalties for which a waiver is being requested (in cases where a waiver is being requested for only some of the penalties on the invoice).
 - BAID #.
 - Reason(s) for requesting a waiver.
 - Supporting documentation (if any).
 - A contact name and phone number of the person submitting the waiver application/request.

- In addition to the above information, it would be helpful if the BA provided the following, if applicable and if known:
 - Petrinex change item number, if the request is related to an existing Petrinex issue.
 - Petrinex Service Desk ticket number, if the request is related to a Petrinex ticket.

The Ministry will review all waiver applications. Approved waiver requests will be issued a credit invoice and denied requests will be issued a letter outlining the reason(s) for the decision.

Both the credit invoice and/or the denial letters will be sent to the BA through Petrinex's "Ministry Invoices and Statements" area.

For more information, please see the Penalty Assessment Policy and Non-compliance Waiver Process Directive, available on the Ministry of Economy's website at:
<http://www.er.gov.sk.ca/Royalty-Tax-Directives>

More information: ECON Support
Phone: 1-855-219-9373
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