

New SK Pipeline Splits Functionality: First POS Flag Usage

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
SK	June 9, 2014		Initial Release

Audience: All Saskatchewan Users

Purpose: This tip informs SK Petrinex users that ECON implemented a revision to Pipeline Splits functionality effective June 4, 2014 (commencing with reporting for the **May 2014 Production Month**). The new changes will affect the First POS (Point of Sale) Flag usage in SK Pipeline Splits functionality.

This new functionality is applicable in situations where oil is sold at least once (independently or as a portion of an aggregate volume) prior to being sold at a valid Custody Transfer Point (CTP).

Background: A design oversight in the Pipeline Splits functionality did not allow BAs to use the First POS box in the manner that was intended by ECON without creating errors. For example, prior to the change, in cases where a BA purchases oil, adds it to their own production, and then sells the aggregate volume at a valid CTP:

- if the operator were to un-check the First POS box for the portion of the oil previously purchased, and also cascade that volume to an upstream facility, a Pipeline Split Imbalance error (PLS097) would occur.
- if the operator were to un-check the First POS box for the portion of the oil previously purchased without cascading that volume to an upstream facility, a VRS is not generated at the upstream facility for the volume. When the upstream facility submits a Pipeline Split for the volume in order to create the OV-RTP record for the upstream facility, a PLS097 imbalance error would be created at the upstream facility since there wasn't a VRS generated for the volume.

- if the operator were to cascade the previously purchased volume without identifying it on the “Edit Pipeline Split by Owner” screen, the submitted pipeline split would generate an OV-Purchaser record only for the First POS portion of the actual aggregate sales volume purchased, although the OV-RTP record for that portion would be correct.

To correct this design oversight and to allow more effective use of the First POS checkbox, the SK Pipeline Splits functionality has been revised. These revisions will allow the correct determination of the VRS balance in situations where an oil volume is sold at least once prior to being sold at a valid CTP.

Key Messages: The change will apply to Pipeline Split submissions for all SK users commencing with reporting for the May 2014 production month.

Details and examples of the change can be found in the Oil Valuation section of Directive R01 – Volumetric, Valuation and Infrastructure Reporting Petrinex (Petroleum Registry) at: <http://economy.gov.sk.ca/ReportingDirectives>

Volumes associated with Pipeline Split lines for which the First POS box is unchecked (i.e. previously purchased volumes) will no longer be used in balancing the VRS at the reporting facility. This allows previously purchased volumes to be reported in the “Edit Pipeline Split by Owner” section by unchecking the First POS box as well as to be cascaded in the “Edit Cascade to Other Facilities” section without creating a VRS imbalance.

The change will ensure that the purchaser’s oil valuation record will be auto-populated as the appropriate aggregate volume purchased. For clarity, only volumes related to lines for which the First POS box is checked and volumes related to cascade volumes will be used in the VRS balance calculation.

In cases where volumes being sold for the first time are aggregated with volumes that have been purchased previously and the aggregate is sold at a valid CTP, the operator will submit a pipeline split that includes:

- a line in which the First POS box remains checked for the portion of the volume being sold for the first time.
- a line in which the First POS box is un-checked for the volume that had been purchased from another BA and included in the aggregate sales volume.
- a cascade(s) in which the volume(s) cascaded is equivalent to the volume for which the First POS box is unchecked

The above changes to the SK Pipeline Split functionality will also allow oil valuation to be reported appropriately in situations where an RTP partner does not market their own oil, and the facility operator is doing so on the RTP partner's behalf. For reporting purposes, the facility operator will be considered the purchaser of the RTP partner's oil. As a consequence, the operator will submit a pipeline split that includes:

- a line in which the First POS box remains checked for the operator's portion of the volume that is being sold for the first time.
- a line in which the First POS box is un-checked for the portion that was sold on behalf of (i.e. purchased from) the RTP partner.
- a line in which the First POS box remains checked for the portion "purchased" by the operator from the RTP partner, that identifies the operator as the purchaser and the RTP partner as the owner.
- No cascade is required in this situation.

For More information:

Related to Petrinex Reporting, please contact PNG Support at png.support@gov.sk.ca or 1-855-219-9373

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