PETRINEX
CANADA'S PETROLEUM INFORMATION NETWORK

TIP

Reporting Kingston Line Loss Volumes in Pipeline Splits

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
MB	November 12, 2020		Initial Release

Audience: Oil Battery Operators delivering to Kingston Terminals

Purpose: This tip describes how MB oil battery operators are to report Kingston's TIK volume for line loss in their oil pipeline split.

Background: Kingston Midstream collects a calculated line loss in Manitoba from all oil deliveries to their terminal facilities. This line loss is collected in the form of a Take In Kind volume (0.5% of each of delivery).

Prior to Petrinex, producers were receiving a statement from Kingston that summarized their delivered volumes as net of their line loss tariff. This worked because the producer is paid for the net volume.

With the implementation of Petrinex this process has changed. Petrinex requires that volumetric movement of all products balance between facilities and across the province. As such, Kingston must report their oil receipts as gross volumes (including the 0.5% they will keep for line loss) as this is the volume that actually left the delivering facility and was measured at the terminal.

Producers may have noticed that their Kingston statements are a bit different now. The column labeled **Sum of After BS&W before Line Loss** is the gross receipt volume that was recorded by Kingston in Petrinex. The column labeled **Sum of Calculated line loss (0.5%) Reported as Royalty Take in Kind (RIK)** is the calculated volume that Kingston kept on that delivery. The column labeled **Sum of Net Volume** is the volume for which the producer was paid.

Because Kingston is now reporting gross receipts, there has been confusion as to how to account for the line loss portion of the delivered volume in the pipeline splits. The Volume Requiring Split is the entire gross delivery number, but only the net number (the volume paid for) should be included in the Oil Valuation records created from the split.

A solution to pipeline splits reporting was reached in a September meeting between a major producer, Kingston Midstream, and the Ministry (ARD). Please see the reporting steps below:

1. The producer should enter a Shipper row in which **Kingston Midstream (BA 0666) is the shipper**, if one does not already exist. Once done, click **Owners.**

2. Producers may already have an owner/purchaser record under the Kingston shipper for the volume they were paid for. If so, please **Add** another row.

3. Create an entry in which **Kingston Midstream (BA 0666) is listed as both the Owner and the Purchaser**. Enter **Kingston's TIK volume** in the **Actual Volume** field. **Check the RTIK box**.

TIP

Reporting in this manner will prevent the creation of oil valuation records for Kingston's volume.

- Checking the RTIK box for that volume prevents the creation of Oil Valuation Royalty/Tax Payer records.
- Naming Kingston as both the Owner and Purchaser of that volume prevents the creation of Oil Valuation Purchaser records.

More information:

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