

Change in the Pipeline Split Deadline Process

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
SK	March 5, 2015		Initial

Audience: All Saskatchewan Users

Purpose: This tip informs SK Petrinex users that effective March 4, 2015 ECON has implemented a change in the Pipeline Splits Reporting Deadline in terms of how pipeline split (PLS) errors and non-compliance penalties are determined.

Background: **Currently**, there are three dates each month that are related to Pipeline Splits as published on the Petrinex Saskatchewan Reporting Calendar:

1. The “Oil/LPG Pipeline Splits Industry Deadlines” (Items C, G and H as per the Reporting Calendar) occur prior to the middle of each month and are the deadlines for feeder pipelines to identify ownership of oil received on those pipelines and forms the basis for Industry submissions required at the second deadline;
2. The “Volumetric and Pipeline Splits Deadline” (Item M) occurs between the 18th and 22nd of each month. However, while unresolved volumetric errors are extracted by ECON at this time, unresolved pipeline split errors are not extracted until the “Valuation Deadline” (Item R). These pipeline splits result in the auto-generation of Oil Valuation records that must be responded to by the owners and purchasers;
3. The “Valuation Deadline” (Item R) occurs at the end of each month and is the deadline for submission of oil valuation information and is also the deadline for responding to unresolved PLS errors and Oil Valuation (OVE) errors.

Even though the Pipeline Splits Deadline is the same day as the Volumetric Deadline, unresolved PLS errors are not assessed a non-compliance penalty unless they remain

unresolved at the Valuation Deadline. The PLS errors and the Oil Valuation (OVE) errors are extracted by ECON after the Valuation Deadline and unresolved errors that are subject to a penalty are assessed at that time.

Industry has expressed concern that while the Oil/LPG Pipeline Splits Industry deadlines (Bullet 1. above) occur early enough in the month to allow ample time for companies to complete their own Pipeline Splits submissions by the Volumetric and Pipeline Splits Deadline (Bullet 2. above), some companies are not entering their pipeline splits until very near the Valuation deadline.

This practise leaves very little time to respond to the Oil Valuation records that are auto-generated by the pipeline splits. As a result, in these situations, ECON has to deal with frequent requests for waiver of penalties.

Key Messages: As a result of the change on March 4, 2015, Pipeline Split errors will be extracted by ECON at the Pipeline Split Reporting Deadline, rather than at the Valuation Deadline, and any unresolved PLS errors at the Pipeline Split Reporting Deadline will be subject to non-compliance penalties.

The updated process for handling PLS errors will be as follows (the March to December 2015 Saskatchewan Reporting Calendars have been updated to reflect this updated process):

1. The Volumetric and Pipeline Split Reporting Deadline is being separated into two distinct deadlines on the SK Reporting Calendar.
2. Industry will receive the auto-created "Pipeline Split Missing/Incomplete Warning" report two days prior to the Pipeline Splits Reporting Deadline.
3. Pipeline split errors must be fixed by the Pipeline Split Reporting Deadline. Any PLS errors remaining after the Pipeline Split Reporting Deadline will be subject to non-compliance penalties.

4. Industry will receive the auto-created “Pipeline Split Missing/Incomplete Final” report immediately following the Pipeline Splits Reporting Deadline.
5. The Oil Valuation Compliance and Balancing reports will no longer contain PLS errors.

Industry will continue to be able to run the “Oil/LPG Missing/Incomplete Report” on demand, to identify any outstanding pipeline splits warnings.

To help industry resolve pipeline split errors, the PLS error codes are included in all of the pipeline splits error reports/extracts.

To accommodate the changes to the Pipeline Split Reporting Deadline, ECON will be implementing a three-month Shadow Billing period for all penalties associated with PLS errors generated at the Pipeline Split Reporting Deadline for the February 2015 to April 2015 production months, inclusive.

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)