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# Gas Valuation

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Directive R01 – Petrinex Reporting

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March 2015

Revision 1.2

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**Record of Change**

<b>Revision</b>	<b>Date</b>	<b>Author</b>	<b>Description</b>
0.0	April 15, 2013	Charene Kozak	VI72106 Add discontinuance clause in the Introduction
1.0	August 22, 2013	Jackie Krasko/ Karen Good	Removed Raw Gas Valuation Section and added additional detail to Section 8.4 Gas Plant Valuation Submission.
1.1	October 10, 2013	Charene Kozak	Added VI number to Description above and corrected page numbers in Table of Contents
1.2	March 10, 2015	Charene Kozak	Change chapter number to match website numbering.

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## 8 Gas Valuation

### IMPORTANT NOTICE

Regulatory amendments passed retroactive to April 1, 2012 removed the provisions allowing submission of raw gas sales information and state that all gas production in the province will be valued based on the Provincial Average Gas Price (PGP) for Crown royalty and freehold production tax (royalty/tax) purposes.

Petrinex functionality will continue to allow Industry to submit raw gas information for several more months. Petrinex functionality will be changed sometime over the next few months to remove “Raw Gas” from the Petrinex functionality menus, meaning that from that point forward, Industry:

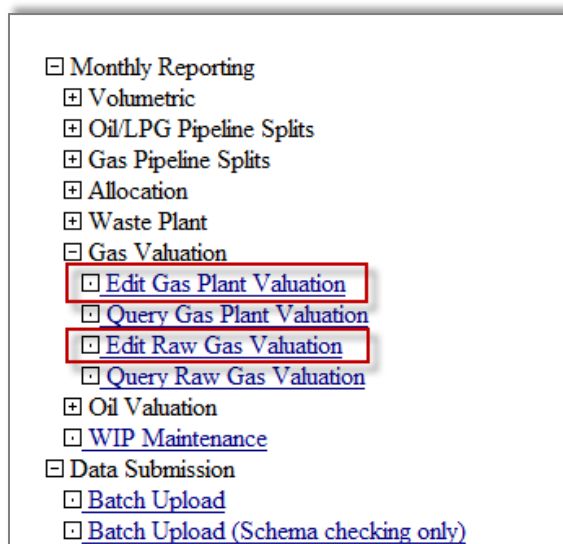
- will not be able to submit raw gas sales information; and
- will not have access to prior period months data for amendments, query or reporting.

It should be noted that if raw gas sales information is submitted, the information will not be used for royalty/tax purposes.

### 8.1 Introduction

Gas Plant (GP) operators are still required to submit gas purchases/sales information. A Business Associate (BA) that retains possession of and markets their share of products (NGLs) processed by a gas plant are required to submit the sales information.

As of the March 2012 production month, the submission of natural gas sales information on the ER702, and ER704 forms will no longer be required, and the option of electing the Provincial Average Gas Price (PGP) or the Operator Average Gas Price (OGP) for royalty/tax purposes has been eliminated. The Ministry will instead value all produced gas at the PGP which will be set monthly based on market price indexes.



Data must be submitted electronically to the Ministry through Petrinex either directly on-line or through batch uploading.

For more information on these methods, please refer to Section 1: Submission of Data to Petrinex. You can access the directive (Submission of Data to Petrinex) on the Ministry’s web site at <http://www.er.gov.sk.ca/SubmissionofData>.

## 8.2 Security

An industry BA may only edit or query data submitted by that particular BA, while ECON may query all submitted data. For more information on security, see Section 1: Submission of Data to Petrinex. You can access the directive (Submission of Data to Petrinex) on the Ministry’s web site at <http://www.er.gov.sk.ca/SubmissionofData>.

## 8.3 Deadlines

Gas Plant (GP) operators/owners are required to submit all current month and prior month amendments to Petrinex prior to the monthly gas valuation filing deadline. The gas valuation filing deadline is the last business day of the month following the month of production. Refer to Petrinex Saskatchewan Reporting Calendar at <http://www.petrinex.ca/49.asp>.

## 8.4 Gas Plant Valuation Submission

### 8.4.1 Edit Gas Plant Valuation Submission

Gas plant (GP) operators are required to report valuation information to Petrinex for gas and liquid petroleum gas products (LPG) (by products) purchased or sold, including unprocessed or raw gas purchases at or upstream of a Gas Plant Inlet, and the subsequent sale of that gas in the form of processed marketable gas or processing gas inlet quantities into LPGs and the subsequent sale of those products. This function replaces the ER701 form. Reporting to Petrinex may either be done by batch upload or online through the Edit Gas Plant Valuation screen (see screen shot below).

BA: 000009 SASK GAS PLANT  
Name:

[Monthly Reporting] > [Gas Valuation]

### Edit Gas Plant Valuation

Facility ID: SK GP 0000001      Location: 01-01-001-01 W3M      Production Month: 2011-10  
Name: SASK GAS PLANT #1  
Reference Code:

*GPR998 The data has been successfully saved to WIP.*

Del	Activity	Product	Producer/ Purchaser	Point of Purchase/ Point of Sale	Contract #	Volume	Energy	Price	Unit
<input type="checkbox"/>	Purchase	GAS	30011	SK GP 0000001	1234	10000.0	360000	3.0000	GJ
<input type="checkbox"/>	Purchase	SUL	30011	SK GP 0000001	1	10.0		50.0000	TONNE
<input type="checkbox"/>	Sale	GAS	30011	SK GP 0000001	33	100.0	3600	110.0000	103M3
<input type="checkbox"/>	Purchase	C3-MX	30011	SK GP 0000001	GP#1	1000.0		70.0000	M3

In addition to the GP operators, BAs that have retained possession of, and marketed their share of products processed by the plant, are also required to report valuation information for gas and LPGs. Therefore, submissions may be made by multiple BA’s for a particular facility and production month, as each BA reports their own purchases and sales. A submission made by a particular BA is only available for editing or viewing by that BA.

The Edit Gas Plant Valuation screen allows the entry and edit of the following GP valuation data:

- Activity – ('Purchase' or 'Sale')
- Product – (A product code must be reported for each individual product purchase). In most cases the product will be raw or unprocessed associated gas, for which the product code is "Gas".
- Producer/Purchaser (BA ID) Enter the Business Associate code, as assigned by the Ministry, which identifies the producer from which the product is being purchased from or the purchaser code which the product is sold to.
- Point of Purchase/Point of Sale (ID) Enter the code of the battery, gas plant, gas gathering system, meter station or other facility that identifies the point at which the product was purchased (the point where the gross/contract price is established).
- Contract # (unique contract identifier, only used when required)
- Volume (10<sup>3</sup>m<sup>3</sup>)
- Energy (GJ)
- Price (\$/Unit)
- Unit - pricing unit (GJ, m<sup>3</sup>, 10<sup>3</sup>m<sup>3</sup>. Tonnes).

Data entered can either be submitted to Petrinex by batch upload or saved to the Work In Progress (WIP) area for submission at a later date. Transactions within WIP are not considered submissions to Petrinex.

Submissions may be amended at any time. See Section 1: Submission of Data to Petrinex. You can access the directive (Submission of Data to Petrinex) on the Ministry's web site at <http://www.er.gov.sk.ca/SubmissionofData>.

### 8.4.2 Query Gas Plant Valuation Submission

The submitting BA may query the current or previous month GP submission at any time through Query Gas Plant Valuation on Petrinex.

[Monthly Reporting] > [Gas Valuation]

### Query Gas Plant Valuation

Facility ID: SK GP Y400001 Location: 00-13-21-004-05 W2 Production Month: 2011-10  
 Name: SASK GAS PLANT #1 Amendment #: 2  
 Reference Code: Submitted: 2011-11-22 10:10  
 Extracted: 2011-11-22 11:13

**Go**

Activity	Product	Producer/ Purchaser	Point of Purchase/ Point of Sale	Contract #	Volume	Energy	Price	Unit
PURCHASE	GAS	34008	SK BT 0076693	1234	500.0	20000	3.0000	GJ
PURCHASE	GAS	34008	SK GP Y400001	2345	10.0	500	400.0000	103M3
PURCHASE	SUL	00087	SK GP Y400001	1	25.0		50.0000	TONNE
SALE	GAS	00087	SK GP Y400001	2	1000.0	50000	200.0000	103M3

**Cancel**