

APMC-623



Marketable Alberta Natural Gas Purchased by Designated Distributors within Alberta under Arm's Length Arrangements

APMC-623

Company Code	Company Name	Delivery Month (YYMM)	Type of Amendment C/R/A <input type="checkbox"/>	Amendment Submission Date (YYMMDD)
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Purchases at Franchise

	Volume 10 ³ m ³	Quantity GJ	Value \$
Long-term Firm Contracts			
Short-term Firm Contracts			
Interruptible Contracts			
Total			

Purchases Upstream of Franchise

	Volume 10 ³ m ³	Quantity GJ	Value \$	Fuel Gas /Line Loss GJ	Transportation Charges \$
Long-term Firm Contracts					
Short-term Firm Contracts					
Interruptible Contracts					
Total					

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APMC – 623 REPORTING INSTRUCTIONS

Reported by Designated Distributors to identify arm's length purchases of marketable Alberta natural gas in the delivery month in which the gas was purchased. Arm's length purchases from Buy/Sell end users' agents or end users (if no agents), pursuant to a regulated Buy/Sell agreement, are not reported on this form. Reporting companies should not include purchases from other Designated Distributors on this form.

If an APMC-623 is submitted, an APMC-621 must also be submitted.

An Arm's Length Arrangement is defined as a transaction occurring between persons that are **not** associated. Persons are associated where, directly or in combination with other associates, one person owns or has a beneficial interest equal to or greater than 75% of the other person. Persons may be considered associated or non-associated by special direction of the APMC.

COMPANY CODE

The unique code assigned to the reporting company by the EUB. If no EUB code exists, contact Gas Valuation and a code will be assigned. This code must be used on all forms, approved magnetic media submissions and on all communications with the APMC.

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COMPANY NAME

The name of the company reporting to the APMC.

DELIVERY MONTH

The year and month when the gas was delivered and when prior months' adjustments were transacted. For example, November 1993 is reported as 9311.

PURCHASES AT FRANCHISE

Volume, Quantity and **Value** of gas purchased at the franchise in the current delivery month from arm's length parties. Include previous months' adjustments which are transacted in the current delivery month.

PURCHASES UPSTREAM OF FRANCHISE

Volume and **Quantity** of gas (excluding Fuel Gas/Line Loss) purchased from arm's length parties upstream of the franchise in the current delivery month. **Value** of the above quantity of gas calculated at the upstream purchase price. **Fuel Gas/Line Loss** supplied to the pipeline by the company to deliver the gas purchased upstream of the franchise to the franchise. **Transportation Charges** to deliver or have the capacity to deliver the gas purchased upstream of the franchise to the franchise. Include previous months' adjustments which are transacted in the current delivery month.

Each of the preceding two categories is further separated into the following types of purchase contracts:

LONG-TERM FIRM CONTRACTS

A contract with a duration of greater than two years requiring firm deliveries of gas. A contract that is a combination of firm and interruptible is considered firm unless the interruptible quantity exceeds the contracted firm quantity.

SHORT-TERM FIRM CONTRACTS

A contract with a duration of less than or equal to two years requiring firm deliveries of gas. A contract that is a combination of firm and interruptible is considered firm unless the interruptible quantity exceeds the contracted firm quantity.

INTERRUPTIBLE CONTRACTS

A contract that does not require firm deliveries of gas.

*Total Purchases at Franchise (**Quantity GJ**) plus Total Purchases Upstream of Franchise (**Quantity GJ**) must equal the Arm's Length Purchases (**Quantity GJ**) on the APMC-621. The **Fuel Gas/Line Loss GJ** from the APMC-623 is **not** carried forward onto the APMC-621.*

AMENDMENTS

Refer to *REVISIONS TO PRIOR MONTHS' SUBMISSIONS* in this guide.

- ❖ When amending an APMC-623, an amending APMC-621 may also be required.

REPORTING DEADLINE

Reports must arrive at the APMC offices no later than 12:00 midnight, Calgary time, on the last day of the month following the delivery month. If the last day of the month falls on a weekend or holiday, reports will be due by 12:00 midnight on the first business day of the second month following the delivery month.

MINIMUM REPORTING REQUIREMENTS

If a report does not meet the minimum reporting requirements by the deadline, it is considered late and is subject to late reporting penalties.

A report must be accompanied by a transmittal document (APMC-600 form). All reports and transmittal documents must:

- ❖ be in a form prescribed or approved by the Commission. A report is acceptable if it is an original, photocopy or fax of an APMC pre-printed form or approved facsimile. Also acceptable are submissions in an approved magnetic or Bulletin Board Service (BBS) format.
- ❖ be legible and permanent; pencil is not acceptable.

A transmittal document must:

- ❖ be signed or validated by or on behalf of the person furnishing the report. A person is defined as the legal entity required to report.
- ❖ sufficiently identify the person furnishing the report.

There are penalties for late or inaccurate/incomplete reporting: An overview of the penalty system is located in the Penalties section of this guide.

ACCURACY KEY

- Fuel Gas/Line Loss: Report to nearest gigajoule.
- Quantity: Report to nearest gigajoule.
- Transportation Charges: Report to nearest dollar.
- Value: Report to nearest dollar.
- Volume: Report in 10^3 m^3 to one decimal point.

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Marketable Alberta Natural Gas Purchased by Designated Distributors within Alberta under Arm's Length Arrangements

APMC-623

Company Code
500

Company Name
Keep 'Em Warm Distribution Co.

Delivery Month (YYMM)
9310

Type of Amendment
C/R/A

Amendment Submission
Date (YYMMDD)

Purchases at Franchise

	Volume 10 ³ m ³	Quantity GJ	Value \$	
Long-term Firm Contracts	30,000.0	1,140,000	2,401,079	A
Short-term Firm Contracts				
Interruptible Contracts				
Total	30,000.0	1,140,000	2,401,079	

Purchases Upstream of Franchise

	Volume 10 ³ m ³	Quantity GJ	Value \$	Fuel Gas /Line Loss GJ	Transportation Charges \$	
Long-term Firm Contracts						
Short-term Firm Contracts	875.4	33,267	74,851	507	4,053	B
Interruptible Contracts	19,700.0	748,600	2,061,989	11,400	91,200	D
Total	20,575.4	781,867	2,136,840	11,907	95,253	

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APMC – 623 EXAMPLE

❖ The **A,B,C...** references on the forms are intended to assist the reader in tracing the transactions from the example text to the example forms. These references should not appear on actual submissions.

During the delivery month of October 1993 (9310)...

(A)

Keep 'Em Warm Distribution Co., a Designated Distributor, (EUB Code: 500) purchased gas at the franchise area from producer DEF Ltd. under a three year firm contract (Long-term Firm). The two companies are not associated.

Volume: 10,000.0 10³ m³
 Quantity: 380,000 GJ
 Price: \$1.81575/GJ
 Value: Quantity x Price = \$689,985

Keep 'Em Warm also purchased gas at the franchise area from Hopeful Ltd. under a five year firm contract (Long-term Firm) and the two companies are not associated.

Volume: 20,000.0 10³ m³
 Quantity: 760,000 GJ
 Price: \$2.25144/GJ
 Value: Quantity x Price = \$1,711,094

❖ These two Long-term Firm purchases are added together and shown as one entry under Purchases at Franchise. The totals are as follows: 30,000.0 10³ m³, 1,140,000 GJ; and \$2,401,079.

(B)

Keep 'Em Warm purchased gas upstream of the franchise area from JKL Ltd. under an eight month firm contract (Short-term Firm). Keep 'Em Warm owns 50% of JKL Ltd.

Volume Purchased Upstream: 888.8 10³ m³
 Quantity Purchased Upstream: 33,774 GJ
 Price: \$2.25000/GJ
 Fuel Gas/Line Loss: 13.4 10³ m³ [507GJ]
 Transportation Charges: \$4,053
 Volume Delivered to Franchise: 875.4 10³ m³
 (Volume Purchased *less* Fuel Gas/Line Loss)
 Quantity Delivered to Franchise: 33,267 GJ
 (Quantity Purchased *less* Fuel Gas/Line Loss)
 Value: \$74,851
 (Quantity Delivered x Price)

(C)

This Designated Distributor purchased gas from producer GHI Ltd., of which it has an 85% ownership, at the franchise area under a two year firm contract.

Volume: 10,000.0 10³ m³
 Quantity: 380,000 GJ
 Price: \$1.25333/GJ
 Value: Quantity x Price = \$476,265

❖ This non-arm's Length transaction is not included on the APMC-623. The quantity must be included on the APMC-621.

(D)

Keep 'Em Warm also purchased gas upstream of the franchise area from Prairie Dog Gas Marketing Ltd. under a three month interruptible contract. The two companies are not associated.

Volume Purchased Upstream: 20,000.0 10³ m³
 Quantity Purchased Upstream: 760,000 GJ
 Price: \$2.75446/GJ
 Fuel Gas/Line Loss: 300.0 10³ m³ [11,400GJ]
 Transportation Charges: \$91,200
 Volume Delivered to Franchise: 19,700.0 10³ m³
 (Volume Purchased *less* Fuel Gas/Line Loss)
 Quantity Delivered to Franchise: 748,600 GJ
 (Quantity Purchased *less* Fuel Gas/Line Loss)
 Value: \$2,061,989
 (Quantity Delivered x Price)

Designated Distributors are also required to submit an APMC-621.

QUESTIONS & ANSWERS

How are sales under a Long-term Firm contract recorded in the final two years of the contract's term?

A Long-term Firm Contract continues to be recorded as such until the end of the contract unless the terms of the contract are amended.

How would a Buy/Sell be classified on this form?

Only a non-regulated Buy/Sell is included on the APMC-623.

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