

APMC-631



Marketable Alberta Natural Gas Removed from Alberta by the Owner and Sold under Arm's Length Arrangements

APMC-631

Company Code	Company Name	Delivery Month (YYMM)	Amendment Submission Date (YYMMDD)
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Type of Amendment C/R/A	Removal Point	Contract Details		Sales Information & Ex-Alberta Transportation <small>All dollars (\$) must be stated in Canadian dollars</small>				Destination
		Location Code	Sold To	Volume 10 ³ m ³	Quantity GJ	Value \$		
□	Removal Point							
	Contract Type	Buyer Type	Canadian Fuel Gas/Line Loss GJ	Canadian Transportation Charges \$	U.S. Fuel Gas/Line Loss GJ	U.S. Transportation Charges \$		
□	Removal Point							
	Contract Type	Buyer Type	Canadian Fuel Gas/Line Loss GJ	Canadian Transportation Charges \$	U.S. Fuel Gas/Line Loss GJ	U.S. Transportation Charges \$		
□	Removal Point							
	Contract Type	Buyer Type	Canadian Fuel Gas/Line Loss GJ	Canadian Transportation Charges \$	U.S. Fuel Gas/Line Loss GJ	U.S. Transportation Charges \$		
□	Removal Point							
	Contract Type	Buyer Type	Canadian Fuel Gas/Line Loss GJ	Canadian Transportation Charges \$	U.S. Fuel Gas/Line Loss GJ	U.S. Transportation Charges \$		

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APMC – 631 REPORTING INSTRUCTIONS

Reported by owners of marketable Alberta natural gas who remove Alberta gas from Alberta and sell to arm's length parties.

If an APMC-631 is submitted, an APMC-633 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. For more detailed clarification of reporting requirements refer to Information Bulletin 2002-02.

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.

COMPANY NAME

The name of the company reporting to the APMC.

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DELIVERY MONTH

The year and month when the gas was sold and when prior months' adjustments were transacted. For example, November 2002 is reported as 0211.

REMOVAL POINT

The APMC code identifying the location at which the Alberta gas was removed from Alberta. For codes, refer to **CODE LISTINGS** in this guide.

CONTRACT DETAILS

LOCATION CODE

The APMC code identifying where the sales transaction occurred. For codes, refer to **CODE LISTINGS** in the guide.

SOLD TO

The four-digit numeric code which is assigned by the APMC and identifies the buyer outside of Alberta. Contact Gas Valuation to obtain codes.

CONTRACT TYPE

Enter **1** if long-term firm, **2** if short-term firm, or **3** if interruptible. **Long-term firm** is defined as a contract with a duration of greater than two years requiring firm deliveries of gas. **Short-term firm** is defined as a contract with a duration of less than or equal to two years requiring firm deliveries of gas. **Interruptible** is defined as a contract that does not require 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.

BUYER TYPE

Enter **1** if the buyer is an end user, **2** if a distributor, **3** if a marketer/broker, **4** if other or **5** if a shrinkage buyer.

SALES INFORMATION

For all delivery months, except as identified, report volume (not after October 1998), quantity and value of the sale at the location the gas is sold.

For delivery months prior to September 2002, and only in the case where Alberta gas is sold in the United States, report the volume/quantity delivered to the international border instead of at the point of sale. Similarly, report value in Canadian dollars equal to the netback revenue at the international border. (Sales value less U.S. transportation charges)

VOLUME

Volume sold in the current delivery month plus previous months' adjustments which are transacted in the current delivery month. Volumes should not be reported after the gas delivery month of October 1998.

QUANTITY

Quantity sold in the current delivery month plus previous months' adjustments which are transacted in the current delivery month.

VALUE

Revenue, in Canadian dollars, resulting from the sale of gas in the current delivery month plus previous months' adjustments which are transacted in the current delivery month. If no gas is moved under a specific gas sales contract but revenue is received from the ex-Alberta buyer under that contract, this revenue must be reported in the delivery month in which it was received.

EX-ALBERTA TRANSPORTATION

Ex-Alberta Canadian transportation charges required to deliver gas to the sales location. Include previous months' adjustments which are transacted in the current month.

Canadian Transportation Charges in (C\$):

Report the ex-Alberta Canadian transportation charges in Canadian dollars required to move the gas sold from the Alberta border to the point of sale or to the Canadian/US border, if the gas is sold in the United States. Transportation charges should be net of any revenue received from brokering unutilized transportation capacity.

Transportation charges should be allocated to each sale based on gas moved. Refer to Information Bulletin 2002-02 for more information regarding allocation procedures.

U.S. Transportation Charges in (C\$):

(Effective September 2002 gas delivery month)

Report the U.S. transportation charges in Canadian dollars required to move the gas from the Canadian/U.S. border to the point of sale. Transportation charges should be net of any revenue received from brokering unutilized capacity.

Transportation charges should be allocated to each sale based on gas moved. Refer to Information Bulletin 2002-02 for more information regarding allocation procedures.

Canadian Fuel Gas/Line Loss:

Fuel gas/line loss supplied to an ex-Alberta Canadian pipeline required to transport the gas to the point of sale or to the Canadian/U.S. border if the gas is sold in the United States.

U.S. Fuel Gas/Line Loss:

(Effective September 2002 gas delivery month)

Fuel gas/line loss supplied to a U.S. pipeline required to transport the gas from the Canadian/U.S. border to the point of sale.

DESTINATION

PROVINCE CODE OR EXPORT POINT

The APMC code identifying the province in which the gas will be consumed or, if the gas is exported from Canada, the code identifying the export point from Canada. For codes, refer to **CODE LISTINGS** in the guide.

AMENDMENTS

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

- ❖ If an amending APMC-631 is submitted, an amending APMC-633 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 electronic transfer 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 the guide.

ACCURACY KEY

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

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Marketable Alberta Natural Gas Removed from Alberta by the Owner and Sold under Arm's Length Arrangements

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Company Code ZZ1	Company Name ABC Gas Marketing Ltd.	Delivery Month (YYMM) 9310	Amendment Submission Date (YYMMDD)
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Type of Amendment C/R/A	Removal Point	Contract Details		Sales Information			Ex-Alberta Transportation	Destination
		Location Code	Sold To	Volume 10 ³ m ³	Quantity GJ	Value \$	Fuel Gas/Line Loss GJ	Province Code or Export Point
<input type="checkbox"/>	207	8501	6001	8,163.8	310,224	467,011	26,369	500 A
		Contract Type	Buyer Type				Transportation Charges \$	
		2	1				93,067	
<input type="checkbox"/>	210	8300	5005	2,730.0	103,739	231,179	4,322	300 B
		Contract Type	Buyer Type				Transportation Charges \$	
		3	1				15,129	
<input type="checkbox"/>	205	8303	4004	437.8	16,635	26,749	0	301 C
		Contract Type	Buyer Type				Transportation Charges \$	
		2	2				0	
<input type="checkbox"/>	205	8900	5151	0	0	0	0	301 D
		Contract Type	Buyer Type				Transportation Charges \$	
		1	3				25,000	

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APMC – 631 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)

ABC Gas Marketing Ltd. (EUB Code: ZZ1) removed Alberta gas at Empress (Removal Point: 207). The gas was sold arm's length at Thunder Bay, Ontario (Location Code: 8501, Western Toll Zone) to the end user, Ontario Household Gas Ltd. (Sold To Code: 6001, Buyer Type: 1, Province Code: 500) under an 18 month firm contract (Contract Type: 2, Short-term Firm).

Sales Volume: 8,163.8 10³m³
 Sales Quantity: 310,224 GJ
 Fuel Gas/Line Loss: 693.9 10³m³ [26,369 GJ]
 Transportation Charges: \$93,067
 Price: \$1.50540/GJ
 Value: \$467,011
 (Sales Quantity x Price)

(B)

ABC Gas Marketing Ltd. removed Alberta gas from Alberta at Unity (Removal Point: 210) and sold it at arm's length in Saskatchewan to the end user, Saskatchewan Household Gas Ltd. (Sold To Code: 5005, Buyer Type: 1, Location Code: 8300, Province Code: 300), under an interruptible spot contract (Contract Type: 3, Interruptible). Saskatchewan Household Gas agreed to pay for half of the transportation charges.

Sales Volume: 2,730.0 10³m³
 Sales Quantity: 103,739 GJ
 Fuel Gas/Line Loss: 113.7 10³m³ [4,322 GJ]
 Transportation Charges: \$15,129
 Transportation Amount Recovered from End User:
 \$7,565
 Price: \$2.15554/GJ
 Value: \$223,614
 (Sales Quantity x Price)
 Total Value: \$231,179
 (Sales Value *plus* Transportation Amount Recovered)

(C)

ABC Gas Marketing Ltd. removed Alberta gas from Alberta at James/McNeill (Removal Point: 205) and sold it at the Alberta/Saskatchewan border (Location Code: 8303, South of the TransCanada System). The gas was sold at arm's length to the distributor, American Household Gas Ltd. (Sold To Code: 4004, Buyer Type: 2), under a two year firm contract (Contract Type: 2, Short term Firm). The purchaser exported the gas into the United States at Monchy, Saskatchewan (Export Point: 301).

Sales Volume: 437.8 10³m³
 Sales Quantity: 16,635 GJ
 Price: \$1.60798/GJ
 Value: Sales Quantity x Price = \$26,749

(D)

ABC Gas Marketing Ltd. has a five year firm contract (Contract Type: 1, Long-term firm) with Southern States Gas Marketing Ltd. (Sold To Code: 5151, Buyer Type: 3). Under normal conditions, gas intended for Southern States Gas Marketing is removed from Alberta at James/McNeill (Removal Point: 205) and sold at Monchy, Saskatchewan (Location Code: 8900) for export into the United States (Export Point: 301).

In 9310, ABC Gas Marketing could not fulfill its contractual obligation due to pipeline curtailment but still incurred \$25,000 in ex-Alberta Canadian transportation charges. These charges are reported using the same contract details and destination as illustrated above.

An APMC-633 must also be submitted.

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Company Code
ZZ1

Company Name
ABC Gas Marketing Ltd.

Delivery Month (YYMM)
9310

Amendment Submission Date (YYMMDD)
93 12 29

Type of Amendment C/R/A	Removal Point	Contract Details		Sales Information			Ex-Alberta Transportation	Destination
	Removal Point	Location Code	Sold To	Volume 10 ³ m ³	Quantity GJ	Value \$	Fuel Gas/Line Loss GJ	Province Code or Export Point
R	207	8501	6001	-8,163.8	-310,224	-467,011	-26,369	500
		Contract Type	Buyer Type				Transportation Charges \$	
		2	1				-93,067	
A	207	8501	6050	8,163.8	306,143	467,011	26,369	500
		Contract Type	Buyer Type				Transportation Charges \$	
		2	1				93,067	

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APMC-631 AMENDMENT EXAMPLE

For amendment instructions, refer to **REVISIONS TO PRIOR MONTHS' SUBMISSIONS** in this guide.

REVERSE (R)/ADD (A)

On December 29, 1993, ABC Gas Marketing Ltd. (EUB Code: ZZ1) realized that the **Sold To** code and sales quantity for Ontario Household Gas Ltd. had been reported incorrectly on the submission for the delivery month of 9310 (Example A). Therefore, the original line must be amended as follows:

Revised Quantity: 306,143 GJ
Revised **Sold To** Code: 6050

Step #1:

Reverse the entry in Example A using **R** as Type of Amendment.

- ◆ Please note that the negative signs are used for quantitative fields.

Step #2:

Add the corrected line using **A** as Type of Amendment.

Please note that an amended APMC-633 must be submitted.

QUESTIONS & ANSWERS

Is it possible to group contracts of the same contract type as one entry?

Yes. Contracts may be grouped together as long as their removal points, contract details and destinations are the same.

How are sales under a Long-term 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 contract terms are amended.

Are you required to report the transaction if you purchase Alberta gas immediately after it crosses the Alberta border?

No. The sales transaction will be reported by the owner of the gas when the gas is removed from Alberta.

What do you report under *Province Code or Export Point* if you are selling to a party other than an end user?

You must report the ultimate point of consumption. This field cannot be left blank.

How do you report ex-Alberta Canadian costs of transportation when gas flows through more than one pipeline?

All costs are reported as if under one pipeline.

How do you report ex-Alberta Canadian costs of transportation when all or a portion of these costs are recovered from your buyer?

Total ex-Alberta Canadian costs of transportation must be reported as **Transportation Charges**. The portion of these costs that is recovered from your buyer must also be included in **Value \$**.

How do you report the value of a sale transacted outside Canada?

Prior to September 2002 delivery month, you report the netback value in Canadian dollars at the international border. For September 2002 and future delivery months, report the value at the point of sale.

If you use a commingled supply of Alberta ex-Alberta gas to serve an ex-Alberta market, how is this sale reported on the APMC-631?

You can choose one of two methods of reporting this circumstance and must apply the chosen method consistently from month to month. One option is to report on the APMC-631 only the portion of the sale allocated to Alberta gas removed from Alberta. The other is to report the entire sale, including both Alberta and non-Alberta gas. Refer to Information Bulletin 2002-02 for further details.

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