Timelines and Penalties for Supplemental Reporting

Oil Sands Royalty Business Training

Alberta Energy
June 13, 2019
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Topics

• Filing Deadlines
• After Project Approval
• Zero Production
• Replacement Reports
• Penalties
Filing Deadlines for 2018 CARE Reports

- **2019 Q1 Revenue/WCS**
  - Due: May 20

- **2019 Q2 Revenue/WCS**
  - Due: Aug. 20

- **2019 Q3 Revenue/WCS**
  - Due: Nov. 20

- **2019 Q4 Revenue/WCS**
  - Due: Feb. 20

- **2019 Cost Workbook**
  - Due: Apr. 30

- **2019 Subsurface Workbook**
  - Due: June 30

- **2020 Q1 Revenue/WCS**
  - Due: May 20

- **2020 Q2 Revenue/WCS**
  - Due: Aug. 20

- **SOA** = Statement of Approval
- Annual reporting for CARE Cost and Subsurface
- Quarterly reporting for CARE Revenue and WCS

- Before midnight on due date
- Next business day if due date = weekend or statutory holiday
Reporting Calendar (Important dates to keep in mind!)

Operator reporting resources

Please refer to the Oil Sands Royalty Regulation, 2009 Part 5 (Administration and Enforcement) for the current royalty and related reporting requirements.

Failure to provide the department with any of the reports by the required due date may result in late filing penalties. Interest will be assessed on any late payments.

The following documents or links may be helpful to oil sands operators in managing the royalty reporting process:

- Application for ETS Access
- Oil Sands Royalty Submission and Report Retrieval in ETS (PDF, 515 KB)
- Project and Non Project Royalty Templates
- Project Royalty Form Validation Rules (PDF, 113 KB)
- Non Project Well Royalty File Validation Rules (PDF, 137 KB)
- Oil sands royalty information reports and processing schedule
- ETS Submission Process for Supplemental Reporting (Periods prior to 2015) (PDF, 393 KB)
- ETS Submission Process for Supplemental Reporting (Effective Period 2015) (PDF, 451 KB)
- Oil Sands Royalty Reporting Calendar 2019 (PDF, 127 KB)

“This calendar has been prepared as a courtesy only and the Government of Alberta does not warrant or make any other representations regarding the use, accuracy, timelines, applicability, performance or reliability of this calendar. Please refer to the Oil Sands Royalty Regulation, 2009 A.R 223/2008 for dates and deadlines.”

CARE Reporting: After Project Approval

- File by the end of the month following month of project approval notification (reporting requirements letter)

- File the CARE reports that were last due from the filing deadline indicated in the project approval notification

- CARE Revenue/WCS information is cumulative. When you file any quarter, you are including information from all previous quarters in the Period.

- If Project approval effective date is in the previous Period, you will need to file Q4 of previous Period plus past quarter of current Period for CARE Revenue/WCS, and the previous Period’s CARE Cost and Subsurface

- Only include information from the Project Approval Effective Date onward

- Don’t forget the Statements of Approval
### CARE Reporting: After Project Approval

- **2019 Q1**
  - Revenue/WCS
  - DUE: May 20

- **2019 Q2**
  - Revenue/WCS
  - DUE: Aug. 20

- **2019 Q3**
  - Revenue/WCS
  - DUE: Nov. 20

- **2019 Q4**
  - Revenue/WCS
  - DUE: Feb. 20

- **2019**
  - Cost Workbook
  - DUE: Apr. 30

- **2019 Subsurface Workbook**
  - DUE: June 30

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*Project Effective January 1, 2019*

Project Approval in October 2019

What CARE reports are due and when?
CARE Reporting: After Project Approval

- **Project Application**: January 2019
- **Project Approved**: October 2019

First Filing Due End of Month Following Month of Project Approval (October, 2019)

**Filings due =**
- 2019 Q3 REVENUE/WCS + SOAs

Nov. 30, 2019
CARE: After Project Approval

2019

2019 Q1 REVENUE/WCS DUE: May 20

2019 Q2 REVENUE/WCS DUE: Aug. 20

2019 Q3 REVENUE/WCS DUE: Nov. 20

2019 Q4 REVENUE/WCS DUE: Feb. 20

2019 COSTS DUE: Apr. 30

2019 Subsurface Workbook DUE: June 30

2020

2020 Q1 REVENUE/WCS DUE: May 20

2020 Q2 REVENUE/WCS DUE: Aug. 20

2020 Q3 REVENUE/WCS DUE: Nov. 20

2020 Q4 REVENUE/WCS DUE: Feb. 20

2020 COSTS DUE: Apr. 30

2020 Subsurface Workbook DUE: June 30

(Project Effective September 1, 2019)

Project Approval in June 2020

What CARE reports are due and when?
CARE Reporting: After Project Approval

- Project Application: September 2019
- Project Approved: June 2020

First Filing Due End of Month Following Month of Project Approval (June, 2020)

Filings Due:
- 2019 Q4 REVENUE/WCS + SOA
- 2019 COST Workbook + SOA
- 2019 Subsurface Workbook + SOA
- 2020 Q1 REVENUE/WCS + SOA
CARE Revenue: Zero Production

• Must report after Project is approved, even if project is still under construction or there is no production

• For Projects under construction, select “Unassigned” for the stream in the CARE Revenue form

• Refer to IB 2013-22 for more information on Projects under construction after approval.

• If producing Project stops producing: continue reporting zero production under the reported stream.
CARE Replacement Reports

• Minister may request a replacement report for any deficient reporting, *Oil Sands Royalty Regulation 2009, section 41(2)*
  – e.g. EOPS amended substantially after CARE filing

• Deadline = last day of month following the month of the request

• Must be accompanied by SOA
CARE Penalties

- *Oil Sands Royalty Regulation, 2009*
  - *section 44(2.2) – CARE Reports*
    - Penalty of no more than $5000 per month or part month that failure continues
  - *Section 44(2.3)*
    - Will not impose a penalty on any Statement of Approval not filed for CARE, if a penalty has already been imposed on the underlying report
CARE Penalties Example 1

1 report
x 1 part. month
x $5,000
= $5,000

• OSRR’09 Section 44(2.3): SOA not penalized if the report was already penalized.
CARE Penalties Example 2

1 report

\[ \times (1 \text{ month} + 1 \text{ part month}) = 2 \text{ months} \]

\[ \times \$5,000 \]

\[ = \$10,000 \]

- OSRR’09 Section 44(2.3): SOA not penalized if the report was already penalized.
CARE Penalties Example 3

2019 Q1 REVENUE
DUE: May 20
(5 Projects, 2 revenue streams)

2019 Q1 REVENUE
+ SOA
FILED: May 21

2 reports
x 1 part. month
x $5,000
= $10,000

- *OSRR’09 Section 44(2.3)* SOA not penalized if the report was already penalized.
CARE Penalties Example 4

3 reports x $5,000 = $15,000 for every month or part month outstanding
Operator’s Forecast Penalties

• Filing deadline is November 30 of each calendar year (or next business day), *Oil Sands Royalty Regulation, 2009, section 37(1)*

• *Oil Sands Royalty Regulation, 2009, section 44(1)*
  • Penalty of $5000 for each month or part month that failure continues
Important Information Bulletins to reference

• 2018-09 Submission of the 2018 Operator’s Forecast Report
• 2017-08 Operator's Forecast Report Enhancements
• 2016-06 Changes to the 2016 Operator’s Forecast Report Form due November 30, 2016
• 2016-02 New CARE Cost and Subsurface Reports Published
• 2016-01 New ETS Submission Process for CARE Reporting and Operator’s Forecast
• 2015-08 CARE Revenue Multiple Ownership Interests
• 2015-03 New CARE Reports effective Period 2015
• 2013-22 CARE Reporting Requirements for Non-Producing Projects
• 2013-21- Penalty Assessments for Late or Missing Submissions
• 2013-13 Waste Volumes for CARE
• 2011-04 General Info, New Deadlines
• 2009-08 Introduction to CARE

https://open.alberta.ca/publications/oil-sands-information-bulletin
Questions?