

Client Case Study



The Petroleum Registry of Alberta transforms an archaic, paper-based system to a state-of-the-art online portal, integrating more than 1,200 companies and both government departments. This implementation of Microsoft BizTalk, designed, executed and managed by Fujitsu Consulting, increases efficiencies and drives revenue for government and corporations in a multi-billion dollar industry.

The Petroleum Registry of Alberta: Canadian Vision Leading the Energy Industry

In March of 2002, oil industry specialists from around the world assembled in Stavanger, Norway, for the Worldwide Petroleum Data Repository Conference. This assembly of experts came to one conclusion—the soon-to-be-launched petroleum registry system in western Canada is an innovative, trendsetting IT initiative. Nothing like it exists anywhere else in the world. The Petroleum Registry of Alberta is an example of Canadian vision leading a worldwide industry.

The Story

The Alberta government and provincial energy companies are in constant communication to establish royalties, fees and taxes on oil and gas pumped from the wells that dot the Alberta landscape. Every oil or gas company in Alberta is required to report to the provincial government their production for each well they run. Additionally, any facility that processes or ships oil and gas from the province is required to report how much volume they receive on a monthly basis.

This has historically been a tedious, paper-based process with difficult communication processes, and the inevitable clerical errors caused by hand-keying inaccuracies, and discrepancies between individual company reports. It has also suffered from discrepancies in electronic interchange between differing computer systems. This has resulted in sloppy reporting, missed revenue opportunities for government and overpayment by the energy corporations. With billions of dollars in revenue at stake, an increase in efficiency would result in significant savings.

The Players: Government and Industry on the Same Team

The Registry is an Internet-accessible central repository, connecting more than 1,200 oil and gas companies, midstream operators, pipeline companies and royalty holders. In addition, the Registry connects with the Department of Energy for royalty reporting and the Energy Utilities Board for regulatory purposes. The registry takes into account everything from the larger multinational companies like BP or Exxon-Mobil, with their large integrated reporting systems, to small independent producers that submit online via Excel spreadsheets.

Financial Objective

The ministry currently prints approximately 1.44 million pages of statements annually, including invoices, customer records, information requests, etc. The Registry reduces or eliminates electronic data interchange, Crown invoice analysis costs and allocation administration costs. The government will save \$4M on keying and paper-chasing (i.e. photocopying, re-filing) costs alone.

Business Advantage

The registry provides a central source of timely information for government and industry. More accurate billing means \$7M in annual savings to industry as a result of the reduction of Crown-favoured penalties. The Government gains accurate forecasting of royalty related information for financial purposes and planning for long-term resource development.

The Future

The Registry is a strategic tool for industry as well. In a highly competitive industry, this is one location where petroleum companies can interact. Looking forward, the Registry serves as the foundation for Joint Venture Settlement, land auctions, and common production accounting for the entire industry.

The Technology

Fujitsu Consulting worked with a number of vendor partners to deliver and integrate the technology that drives the Registry. The majority of software came from Microsoft, including .NET Enterprise Servers, and BizTalk Server 2000.

Due to the procedural nature of the Registry data and the workflow/notification components in the design, Fujitsu Consulting proposed a middleware/transaction solution that supported both workflow and middleware requirements. Microsoft's BizTalk Application Server offered a very good fit for this functionality. BizTalk was chosen from a shortlist of possible vendor tools. The select group all offered a process-modeling tool that allows for rapid prototyping and changes to the process flow as business requirements change—an essential component in a constantly shifting industry. BizTalk was chosen for the job due to its functionality and economical pricing model. Some competing products, while more established, would have added \$500,000 to the cost of the project.

BizTalk provided a Microsoft solution framework with reusable components, supporting the Registry's step-by-step integration plan. The BizTalk solution offered the flexibility of being both custom and stock at the same time: BizTalk was easily customized to meet the needs of the Alberta Petroleum Registry, but relieved the Fujitsu Consulting development team of building or re-building routine components available through BizTalk as "commercial, off-the-shelf" software.

BizTalk's strength is business process integration. The Registry members are located across the province, and communicate almost exclusively via the Internet. As a result, their access varies. BizTalk supports any document format, such as EDI, ERP, XML, and BizTalk framework schemas. The BizTalk Server is specifically designed to integrate applications within the enterprise and between businesses across the Internet via the exchange of XML-formatted business documents.

The Registry, Up and Running

Members of the integration team from Fujitsu Consulting completed the development, integration and testing phases in slightly more than a year, which, given the complexity of the system and number of stakeholders, was a considerable feat. The system went into production on October 31st, 2002, on time and under budget.

The Registry has now been up and running long enough to see the immediate benefits of the system as it streamlines the process of accepting production statistics from industry, sending that information to the Department of Energy for royalty calculations. Exceeding the expectations of both industry and government, the Petroleum Registry of Alberta is a powerful example of the successes that result from strong partnerships between the public and private sector.

The combination of leading-edge technology like Microsoft BizTalk and the experienced integration teams of Fujitsu Consulting deliver end-to-end support on large-scale integration projects. The Petroleum Registry of Alberta is a watershed project, and its impact will resonate through the energy industry worldwide.



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