

123

Procedures for the Accounting of Jet Fuel Inventory

Revision 2015.1



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ATA Specification 123:

Procedures for the Accounting of Jet Fuel Inventory

Revision 2015.1



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ATA Specification 123 (Revision 2015.1)

ATA 123 (Revision 2015.1) includes updated instructions to be used in conjunction with the embedded “Excel 123” spreadsheet, which will assist in converting gross recorded jet fuel gallons to net converted gallons and inventory reporting. In addition, there are instructions to be used in conjunction with the embedded “Harmonization” spreadsheet. Performing this monthly harmonization procedure should prevent inventory creep from becoming an issue and/or problem at the station in the future. Please note that Microsoft Office 2010 or higher is required. The current revisions to these spreadsheets are 9.11.14 for “Excel 123” and 1.27.15 for “Harmonization.”

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Chapter 1. Introduction

Member airlines of Airlines for America[®] (A4A) recognize the importance of accurate accounting of jet fuel inventories to ensure reliable tracking of product from receipt to disbursement. To assist in the attainment of this goal, this specification was developed by the A4A Industry Audits Department, in consultation with the A4A Energy Council, the A4A Fuel Technical Committee and the A4A Audit Panel.

Now with this addition, we are expecting operators to report to fuel inventory position holders on a Net corrected basis within a tolerance level of 0.100 percent. To assist with this effort, this Spec includes the Excel 123 spreadsheet, which provides conversion factors to convert gross jet fuel inventories to Net corrected inventories. The following explanation summarizes the importance of the adjustment: On average, every one-degree variance in temperature above or below 60 degrees results in a five-gallon change in gross inventory for every 10,000 gallons of jet fuel in inventory. Without the correction to net corrected inventories, variances caused by temperature changes have the potential to mask system leaks, theft, and out-of-tolerance metering devices, among other issues.

To further assist you in your fuel inventory process we have included a second spreadsheet titled – Harmonization. Harmonization of the individual position holders' gross to net inventories is performed so that both inventories are in the same ratio to each total respective system inventories.

If an individual position holders' net inventory is 10,000 gallons of the total net system inventory of 100,000 (10% in is example), then their ending gross inventory should be equal to 10% of the total gross system inventory. If there is a difference an addition or reduction would be required to true-up their gross inventory balance.

Note: This potential correction procedure would be required for all inventory position holders' gross inventory balances.

Chapter 2. Fuel Receipts

2-1. Procedures

Aviation fuel receipts into an airport fuel system are normally accepted either by pipeline or transport truck delivery. Airlines receive jet fuel from oil suppliers showing the volume in gross and net gallons on the fuel-receipt ticket or bill of lading (BOL).

The A4A Energy Council has approved net inventory fuel accounting to be used at all commercial airports in the United States. Specifically, A4A member airlines have recommended adoption of the ATA Spec 123 procedures at all airports and, accordingly, airlines expect fuel storage operators to maintain the accounting for jet fuel inventory in net gallons. Additionally, a companion inventory of gross gallons should be kept for physical inventory management and informational purposes.

Note: Fuel tickets are printed at the point of sale. Pipeline tickets are printed at the point of custody transfer. Truck tickets are printed when the truck loading is complete or as the truck leaves the refinery. In either case, when the fuel arrives, the gross gallons can differ from what is printed on the BOL. After the operator measures the fuel temperature upon receipt, a recalculation of the net inventory is performed. If the calculated net inventory matches the receipt, the operator records the volumes on the receipt and accepts the load (if all quality tests are satisfactory). If it does not match, the operator must take the steps indicated in the following section entitled “Verification.”

2-2. Verification

The fuel service operator is to take the following steps to verify fuel receipts:

1. Allow a **minimum of 30 minutes** for settling before gauging and recording the final tank volume of jet fuel received
2. Subtract the stop (final) tank gauge figure from the beginning tank gauge figure to calculate the actual gross amount of jet fuel received into the fuel farm
3. Compare this figure to the gross figure on the pipeline, transport-truck delivery fuel receipt ticket and/or BOL to validate the receipt
4. **Differences of 0.100 percent or more** should be noted in the fuel receipt log and investigated. If a consistent pattern emerges showing a potential gain and/or loss on receipts of more than 0.100 percent, the pattern should be **reported/explained accordingly to inventory holders** if a. You will need to notify the position holders of this issue by adding it to the current month-end inventory process. This notification can be used to request a review and/or corrective action to be taken by the pipeline company and/or truck delivery companies to resolve the issues noted
5. In addition, after each receipt of product into tanks, allow the product to settle according to **ATA 103 section 2-3**