

FE DOCKET NO.: 95-33-NG
APPLICANT(S): PROGAS U.S.A., INC

ITEM	PREPARED OR FILED BY	FILING TYPE	DESCRIPTION OF DOCUMENT	DATED	DATE FILED OR ISSUED
✓ 1	PROGAS U.S.A., INC	APPLICATION	Application for Long-Term Authorization to Import Natural Gas	95-05-10	95-05-10
✓ 2	DOE/FE	ORDER	Order 1065--Granting Long-Term Import from Canada	95-06-29	95-06-29
3	DOE/FE	FEDERAL REGISTER ISSUED ORDER	1065 60 FR 35743; 7/1/95	95-06-29	95-06-29

ORIGINAL

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

1995 MAR 10 P 4:42

REC'D OFFICE

PROGAS U.S.A., INC.

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FE Docket No. 95-33-NG

APPLICATION OF PROGAS U.S.A., INC. FOR LONG-TERM
AUTHORIZATION TO IMPORT NATURAL GAS

Communications with respect to this
Application should be addressed to:

Paul W. Fox, Esq.
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UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PROGAS U.S.A., INC.

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FE Docket No. 95-33-NG

APPLICATION OF PROGAS U.S.A., INC. FOR LONG-TERM
AUTHORIZATION TO IMPORT NATURAL GAS FROM CANADA

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. Section 717b, as amended by section 201 of the Energy Policy Act of 1992 ("Energy Policy Act") (P.L. 102-486), ProGas U.S.A., Inc. ("ProGas U.S.A.") hereby submits the instant application for long-term authorization to import natural gas from Canada. In support of this application, ProGas U.S.A. respectfully shows as follows:

I.
GENERAL

The exact legal name of ProGas U.S.A. is ProGas U.S.A., Inc. Correspondence concerning this application should be addressed to:

Paul W. Fox, Esq.
Bracewell & Patterson, L.L.P.
A Registered Limited Liability Partnership
100 Congress Avenue
Suite 1900
Austin, TX 78701
(512) 472-7800

Sarah G. Novosel, Esq.
Bracewell & Patterson, L.L.P.
A Registered Limited Liability Partnership
2000 K Street, N.W.
Washington, D.C. 20006
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II.
BACKGROUND

ProGas U.S.A. is a corporation organized under the laws of the State of Delaware, with its principal place of business at 400 Third Avenue, S.W., Suite 3300, Calgary, Alberta, Canada. ProGas U.S.A. is beneficially owned by ProGas Limited, a private corporation organized under the laws of the Province of Alberta, Canada, with its principal place of business in Calgary, Alberta. ProGas U.S.A. is actively engaged in the business of purchasing and reselling natural gas throughout the United States. In general, ProGas U.S.A. purchases natural gas supplies primarily from ProGas Limited and resells such supplies directly to end-users and in "first sale" transactions. ProGas Limited is engaged in the business of buying and selling natural gas to purchasers located in Canada and the United States, including ProGas U.S.A.

III.
AUTHORIZATION REQUESTED

ProGas U.S.A. requests authorization to import up to 20,000 Mcf per day of natural gas on a long-term basis from the date of authorization through October 31, 2001. As discussed in Exhibit "A" attached hereto, importation of natural gas from Canada is within ProGas U.S.A.'s corporate powers.

ProGas U.S.A. entered into a natural gas supply contract with Tenaska Gas Co. ("Tenaska"), a Nebraska partnership, dated August 1, 1994 ("Agreement"). Under the

terms of the Agreement, attached hereto as Exhibit "B", ProGas U.S.A. is obligated to sell to Tenaska on any day up to 20,000 Mcf of natural gas, less the quantity of fuel required by Northern Border Pipeline Company ("Northern Border") pursuant to the terms of its tariff. Tenaska is obligated under the terms of the Agreement to purchase at least 80 percent of the volumes of gas available in any contract year, and 40 percent of the volumes of gas available in any contract month.

ProGas U.S.A. will purchase the gas to be sold to Tenaska from ProGas Limited at the U.S./Canadian international boundary at Port of Morgan, Montana. A copy of the sales agreement between ProGas Limited and ProGas U.S.A. is attached hereto as Exhibit "C". ProGas Limited will ship the gas through Canada on NOVA Corporation of Alberta to its interconnection with Foothills Pipelines (Saskatchewan) Ltd. ("Foothills") at McNeil. From McNeil, ProGas Limited will ship the gas on Foothills to Port of Morgan at the international boundary. At Port of Morgan, ProGas Limited will sell the gas to ProGas U.S.A.

From Port of Morgan, ProGas U.S.A. will import the gas and ship it on Northern Border to the point of interconnection between Northern Border and Natural Gas Pipeline Company of America ("Natural") at or near Harper, Iowa, and/or to the points of interconnection between Northern Border and Northern Natural Gas Company ("NNG") at or near Ventura, Iowa and at or near Grundy Center, Iowa. At these points of interconnect, ProGas U.S.A. will sell the gas to Tenaska. From Harper, Iowa, Tenaska

will ship the gas on Natural to its delivery point at the Chicago citygate. From Ventura and Grundy Center, Iowa, Tenaska will ship the gas on NNG to various citygate delivery points on NNG. Tenaska intends to utilize the gas it purchases from ProGas U.S.A. primarily for serving markets on Natural and NNG.

Under the terms of the Agreement, the price of the gas sold by ProGas U.S.A. to Tenaska consists of a monthly demand charge plus a monthly commodity charge per MMBtu for volumes delivered. The Agreement provides for a fixed monthly demand charge which shall be the product of the number of days in such month times a multiplier. The monthly commodity charge for each MMBtu of gas delivered by ProGas U.S.A. to Tenaska shall be calculated by taking the average of prices reported in certain publications, and subtracting from that an average of certain transportation costs.

Gas began flowing under the terms of the Agreement on August 1, 1994, but the Agreement was not formally executed until November, 1994. ProGas U.S.A. is currently importing the gas sold under this Agreement through its short-term blanket import authorization.

IV. PUBLIC INTEREST

The Energy Policy Act provides that the importation of natural gas from a nation with which there is in effect a free trade agreement shall be deemed to be within the public interest, and that applications for such importation shall be granted without

modification or delay.¹ Because ProGas U.S.A.'s application is for the importation of natural gas from Canada, a nation with which the United States has a free trade agreement, ProGas U.S.A. submits that its application is within the public interest.

V.
REPORTING REQUIREMENTS

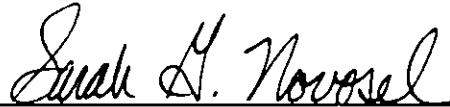
With respect to the imports made pursuant to the long-term authorization requested herein, within two weeks after deliveries begin under the long-term authorization, ProGas U.S.A. will notify the Office of Fuels Programs ("OFP") in writing of the date that the first import of natural gas occurred. Additionally, ProGas U.S.A. will file with the OFP within 30 days following each calendar quarter, a quarterly report showing by month the total volume imported and the average purchase price per MMBtu of gas paid at the international border. The price information for a particular month will include the gas commodity charge, the Canadian pipeline demand charges, and the pipeline fuel and commodity charges.

¹ Energy Policy Act of 1992, Title II - Natural Gas, Pub. L. No. 102-486 (1992).

VI.
CONCLUSION

WHEREFORE, for the foregoing reasons ProGas U.S.A. respectfully requests that the OFP expeditiously consider the instant application and, pursuant to section 3 of the NGA, as amended by section 201 of the Energy Policy Act, grant the requested long-term import authorization. ProGas U.S.A. submits that a grant of such authorization would be consistent with the public interest.

Respectfully submitted,



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A Registered Limited Liability Partnership
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A Registered Limited Liability Partnership
2000 K Street, N.W.
Suite 500
Washington, D.C. 20006
(202) 828-5800

ATTORNEYS FOR PROGAS U.S.A., INC.

May 10, 1995

VERIFICATION

Magdalena A.K. Muir, being first duly sworn, deposes and says that she is a duly authorized representative of the Applicant; that she has read the foregoing document; that she is familiar with the contents thereof; that the statements contained therein are true and correct to the best of her knowledge, information and belief; that she is authorized to file the same with the Office of Fossil Energy; and that, to the best of her knowledge, information and belief, the same or a related matter is not being considered by any other part of the Department of Energy, including the Federal Energy Regulatory Commission, or any federal agency or department.

M.A.K. Muir
Magdalena A.K. Muir

SUBSCRIBED AND SWORN TO before me this 9 day of May,
1995.

Janice Kowch
Notary Public

My Commission Expires:

JANICE R.M. KOWCH
A Commissioner for Oaths, Notary Public
in and for the Province of Alberta
My Commission Expires at the pleasure of
the Alberta Attorney General

EXHIBIT "A"

3300, 400 Third Avenue S.W.
Calgary, Alberta
Canada T2P 4H2
Telephone: (403) 296-0600
Telecopier: (403) 266-0354

May 9, 1995

Mr. Clifford Tomaszewski
Clerk
U.S. Department of Energy
Office of Fossil Fuels
1000 Independence Avenue, S.W.
Room 3H087
Washington, D.C. 20001
U.S.A.

Re: Application of ProGas U.S.A., Inc. for Long-term
Authorization to Import Natural Gas from Canada
FE Docket No. 95- -NG

Dear Mr. Tomaszewski:

As counsel for ProGas U.S.A., Inc. (the "Company"), Applicant in the above referenced proceeding, I have reviewed the Certificate of Incorporation and Bylaws of the Company, and such other documents as I have deemed necessary in order to advise you that:

1. The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own and operate its properties and to carry on its business; and
2. The Company has the requisite corporate authority to import natural gas from Canada.

Yours truly,

M.A.K. Muir

Magdalena A.K. Muir

Attorney for
ProGas U.S.A., Inc.

MAKM/jes24

EXHIBIT "B"

GAS SALES AGREEMENT

BETWEEN

**PROGAS U.S.A., INC.
as "SELLER"**

AND

**TENASKA GAS CO.
as "BUYER"**

Effective August 1, 1994

TABLE OF CONTENTS

ARTICLE 1 -- DEFINITIONS	1
ARTICLE 2 -- INTERPRETATION	4
ARTICLE 3 -- CONDITIONS SUBSEQUENT	5
ARTICLE 4 -- TERM OF AGREEMENT AND EFFECTIVE DATE	7
ARTICLE 5 -- CONTRACT QUANTITIES AND SUPPLY OBLIGATIONS	7
ARTICLE 6 -- NOMINATIONS	8
ARTICLE 7 -- FAILURE TO DELIVER OR PURCHASE GAS	9
ARTICLE 8 -- PRICE	11
ARTICLE 9 -- BILLING AND PAYMENTS	13
ARTICLE 10 -- TITLE, RISK OF LOSS	15
ARTICLE 11 -- TAXES	16
ARTICLE 12 -- QUALITY, PRESSURE AND MEASUREMENT	16
ARTICLE 13 -- IMBALANCES	18
ARTICLE 14 -- <i>FORCE MAJEURE</i>	18
ARTICLE 15 -- RENEGOTIATION	20
ARTICLE 16 -- ARBITRATION	22
ARTICLE 17 -- LAWS AND REGULATORY BODIES	23
ARTICLE 18 -- TRANSFER AND ASSIGNMENT	24
ARTICLE 19 -- NOTICES	24
ARTICLE 20 -- MISCELLANEOUS	25

GAS SALES AGREEMENT

THIS GAS SALES AGREEMENT, made as of the 1st of August, 1994

BETWEEN:

PROGAS U.S.A., INC.,
a corporation, having an office in the
City of Calgary, in the Province of Alberta
(herein referred to as "Seller")

-and-

TENASKA GAS CO.,
a corporation, having an office in the
City of Omaha, in the State of Nebraska
(herein referred to as "Buyer")

WHEREAS, Seller has access to long term Gas supply produced in western Canada and Seller wishes to sell a portion of this Gas Supply to Buyer,

WHEREAS, Buyer wishes to obtain a firm supply of Gas from Seller for Buyer's Supply Pool serving among others the Tenaska III Texas Partners Cogeneration Plant.

IN CONSIDERATION OF THE TERMS AND CONDITIONS HEREIN, the parties agree as follows:

ARTICLE 1 – DEFINITIONS

The following terms, when used in this Agreement, shall have the following meanings:

- 1.1 "Agreement" means this Gas Sales Agreement, including all exhibits attached hereto and all written amendments made from time to time.
- 1.2 "British thermal unit" or "Btu" means the amount of heat required to raise the temperature of one (1) pound of distilled water one (1) degree Fahrenheit at sixty (60) degrees Fahrenheit, at a constant pressure of 14.73 pounds per square inch absolute.

- 1.3 "Business Day" means any day except Saturdays, Sundays, statutory holidays and banking holidays, under the laws of Alberta, Canada and Nebraska, U.S.A. and the jurisdiction of the bank receiving funds payable under this Contract.
- 1.4 "Canadian Regulatory Authorities" means each governmental agency or other authority in Canada that has jurisdiction over any matter relevant to Seller's rights and obligations, including without limitation, the National Energy Board, the Public Utilities Board of Alberta, the Alberta Petroleum Marketing Commission, the Alberta Energy Resources Conservation Board, the Federal Governor-in-Council and Provincial Lieutenant Governors-in-Council.
- 1.5 "Contract Year" means the period of twelve (12) consecutive Months beginning on November 1 and ending on October 31 of the following calendar year, provided that the first Contract Year shall be from August 1, 1994 to October 31, 1994.
- 1.6 "Cubic Foot" means the volume of Gas that occupies one (1) cubic foot when such Gas is at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.
- 1.7 "Daily Contract Quantity" or "DCQ" means the maximum volume of Gas that Seller is obligated to make available and sell to Buyer on any day, as set forth in Article 5.
- 1.8 "Day" means a period of twenty-four (24) consecutive hours beginning and ending at 8:00 a.m., Central Standard Time.
- 1.9 "Downstream Pipeline(s)" means NGPL, NNG, or any other Transporter designated to transport Gas purchased by Buyer from the Point of Sale to Buyer's delivery point(s) on such Downstream Pipeline(s).
- 1.10 "Foothills" means Foothills Pipelines (Saskatchewan) Ltd.
- 1.11 "Gas" means natural gas of the quality specified in Article 12.
- 1.12 "Heating Value" means the number of Btu's contained in one (1) cubic foot of Gas as measured by the Transporter having the custody transfer meter at the Point of Sale.

- 1.13 "Mcf" means one thousand (1,000) cubic feet of Gas.
- 1.14 "MMBtu" means one million (1,000,000) Btus.
- 1.15 "MMcf" means one million (1,000,000) cubic feet of Gas.
- 1.16 "Month" means the period beginning on the first (1st) Day of the calendar Month and ending immediately before the first (1st) Day of the next succeeding calendar Month.
- 1.17 "Monthly Commodity Charge" means the commodity portion of the Price payable for Gas sold in a Month set forth in Article 8.
- 1.18 "Monthly Demand Charge" means the demand charge portion of the Price payable for Gas as set forth in Article 8.
- 1.19 "NB Fuel" means the quantity of fuel required by the Northern Border tariff to transport gas from the interconnection of the facilities of Foothills and Northern Border at Monchy, Saskatchewan to the Point of Sale;
- 1.20 "NGPL" means Natural Gas Pipeline Company of America.
- 1.21 "NNG" means Northern Natural Gas Company.
- 1.22 "Nominated Volumes" means the volume of gas Buyer nominates to purchase from Seller on any given Day.
- 1.23 "Northern Border" means Northern Border Pipeline Company.
- 1.24 "NOVA" means NOVA Corporation of Alberta.
- 1.25 "Party" or "Parties" means Seller and/or Buyer under this Agreement.
- 1.26 "Point of Sale" means the point or points of interconnection between the facilities of NGPL and Northern Border at or near Harper, Iowa and/or the interconnections between the facilities of NNG and Northern Border at or near Ventura, Iowa and at or near Grundy Center, Iowa, which may be specified by Buyer from time to time.

- 1.27 "Pro Rata Share" means the percentage derived by dividing Buyer's DCQ by the sum of the DCQs under all of Seller's and ProGas Limited's then active firm Gas Sales Contracts multiplied by 100%.
- 1.28 "Transporter(s)" means an Upstream Pipeline(s) or Downstream Pipeline(s) as defined in this Agreement.
- 1.29 "Upstream Pipeline(s)" means NOVA, Foothills, Northern Border or any other Transporters designated to transport Seller's Gas to the Point of Sale.
- 1.30 "U.S. Regulatory Authorities" means each governmental agency or other authority in the United States of America that has or may assert jurisdiction over any matter relevant to the rights and obligations of Buyer and Seller including without limitation the United States Department of Energy (Fossil Energy), the Federal Energy Regulatory Commission and any successor departments or agencies.

ARTICLE 2 -- INTERPRETATION

2.1 Divisions and Headings

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the provision of a Table of Contents and headings is for convenience of reference only and is not intended to affect the interpretation of this Agreement.

2.2 Currency

All references to currency, unless otherwise specified, are to lawful money of the United States of America. Any necessary conversions from either U.S. or Canadian currency with respect to any charges for any Month will be calculated at the "rate of exchange for such Month," which rate of exchange will be the average of the noon Spot Exchange Rates for each Day of the Month for the U.S. dollar in terms of Canadian dollars, as published by the Bank of Canada.

ARTICLE 3 – CONDITIONS SUBSEQUENT

3.1 Conditions Subsequent

With regard to the continuation of service under this Agreement the obligations of Seller to sell and Buyer to purchase Gas under this Agreement are subject to the following conditions subsequent (the "Conditions"):

- 3.1.1 the receipt by Seller, from the appropriate Canadian Regulatory Authorities or U.S. Regulatory Authorities, of all necessary permits, licenses or authorizations, on terms acceptable to Buyer and Seller, for the removal of Gas from Alberta, the export of Gas from Canada, the import of the Gas into the United States, and the transportation of such Gas from Seller's producers to the Point of Sale, all as contemplated by the terms of this Agreement on or before June 30, 1995;
- 3.1.2 the receipt by Seller of approval of this Agreement by Seller's producer pool as required by the Natural Gas Marketing Act of Alberta by September 30, 1994;
- 3.1.3 the execution by Seller of Transportation Contracts with Northern Border and Foothills and the successful completion of any associated credit arrangements, with respect to the transportation of the gas to be sold hereunder from the Alberta border to the Point of Sale on or before January 31, 1995;
- 3.1.4 the execution by Buyer or a designated affiliate of a Transportation Contract with NGPL and the successful completion of any associated credit arrangements, with respect to the transportation of the gas from the Point of Sale to the delivery point specified in such agreement on or before January 31, 1995; and
- 3.1.5 the receipt by Buyer of any necessary authorizations to allow Buyer to purchase Gas from Seller at the Point of Sale as contemplated by the terms of the Agreement on or before June 15, 1995.

3.2 Interim Authority

3.2.1 In the event that Seller has not received the authorizations listed in Section 3.1.1 by August 1, 1994, it shall commence deliveries of Gas on the Effective Date pursuant to short-term export and import orders.

3.2.2 In the event that Buyer has not received the necessary authorizations listed in Section 3.1.5 by August 1, 1994, Buyer shall obtain any necessary authorization to allow Buyer to purchase Gas from Seller at the Point of Sale on an interim basis.

3.3 Due Diligence In Meeting Conditions

Each of the Parties shall proceed with due diligence to apply for and receive their respective authorizations and execute the contracts set forth above for the full term of this Agreement and to keep the other Party informed as to the status. Each of the Parties shall use due diligence to maintain and extend, if necessary, any short-term authorization that may expire during the Term. In the event that deliveries commence under Section 3.2, Seller and Buyer shall nevertheless remain obligated to use all due diligence to obtain or execute as soon as practicable, the authorizations or contracts listed in Section 3.1 for the full term of this Agreement.

3.4 Termination Rights

In the event that either party is unable to fulfil a condition by the date specified, or continue the interim authorizations either party may serve the other party written notice of its intent to terminate this Agreement ("Termination Notice"). This Agreement will terminate upon the expiration of thirty (30) days from the Termination Notice, unless the authorization or contract is received, or the party requiring same waives the condition. If the required authorization or contract is received, or the party requiring same waives the condition, prior to the expiration of the said thirty (30) days, the Termination Notice will be of no effect and this Agreement will continue in effect.

- 3.5 In the event of a termination of this Agreement pursuant to Section 3.4 or Section 7.1.5 Buyer shall have the right to assign or capacity broker, to Seller, Buyer's NGPL firm transportation capacity which was acquired by Buyer in accordance with Seller's Letter Agreement with NGPL dated August 9, 1994, and at the rate equivalent to the full rate paid by Buyer to NGPL, and Seller agrees to accept this assignment and this right and obligation will survive the termination of this Agreement.

ARTICLE 4 – TERM OF AGREEMENT AND EFFECTIVE DATE

4.1 Term

This Agreement will become effective August 1, 1994 and will continue in full force and effect through October 31, 2001, unless terminated earlier pursuant to this Agreement. This Agreement may be extended by the mutual written consent of both Buyer and Seller.

4.2 Effective Date

The obligation of the Parties to sell and purchase Gas shall become effective August 1, 1994 ("Effective Date").

ARTICLE 5 – CONTRACT QUANTITIES AND SUPPLY OBLIGATIONS

5.1 Daily Contract Quantity

The Daily Contract Quantity ("DCQ") shall mean the maximum volume of Gas that Seller is obligated to sell to Buyer on any Day, which will be 20,000 Mcf less NB Fuel per day.

5.2 Daily Delivery Obligation

On each Day commencing on and after the Effective Date and continuing until the end of the Term of this Agreement, Seller shall tender for delivery and sell to Buyer at the Point of Sale specified by Buyer, the "Nominated Volume," which shall be the volume of Gas up to the DCQ that Buyer may nominate from Seller.

5.3 Supply Obligation

If at any time, Seller is unable to deliver the full Nominated Volume for any reason including force majeure, Seller shall be obligated to deliver to Buyer a Pro Rata Share of Gas supply available.

5.4 Purchase Obligation

Beginning with the Contract Year commencing November 1, 1994 Buyer shall purchase at least eighty percent (80%) of the volumes available in any Contract Year ("Annual Purchase Obligation") and forty percent (40%) of the volumes available in any Month ("Monthly Purchase Obligation"). "Volumes available" shall be calculated by taking the sum of the DCQ's in the stated period and subtracting any volumes nominated by Buyer but not delivered by Seller.

ARTICLE 6 – NOMINATIONS

6.1 Initial Monthly Nomination

At least two (2) business days prior to the commencement of each Month, Buyer shall nominate to Seller, Buyer's initial Nominated Volume for such Month.

6.2 Mid-Month Nomination Changes

On any Day during the Month, Buyer may change its Nominated Volume to any volume between zero (0) and the DCQ, provided that any changes to the Nominated Volume are made so as to provide one (1) hour advance notice to Seller prior to the nomination deadlines set by the Upstream Pipelines. Seller shall advise Buyer of such nomination deadlines and changes to same. If no nomination or change to the Nominated Volume is received by Seller for any Day, the last nomination, or Nominated Volume shall remain in effect.

ARTICLE 7 – FAILURE TO DELIVER OR PURCHASE GAS

7.1 Failure to Deliver

- 7.1.1 If Seller is unable or fails to deliver the Nominated Volume, then Seller shall notify Buyer as soon as practicable of such inability or failure to deliver. Following notification of an inability or failure to deliver, and during the period related to such notification, Buyer must demonstrate that any increase in Nominated Volume is required to serve Buyer's market, otherwise the Nominated Volume in place at the time of Seller's failure will remain in place.
- 7.1.2 The difference (in Mcfs), if any, between the Nominated Volume and the volumes of Gas delivered by Seller to Buyer on a given Day shall be the "Daily Supply Deficiency."
- 7.1.3 Except where the failure to deliver is excused by Article 14, Seller shall pay to Buyer for each MMBtu of Daily Supply Deficiency, "Replacement Costs" equal to the positive difference, if any, between (i) the cost to Buyer of purchasing the replacement Gas volume, including the commodity cost of replacement Gas and transportation costs, and (ii) the Cost that Buyer would have incurred under the Contract for a volume equivalent to the replacement Gas, including the Monthly Demand Charges, had the unexcused failure to deliver not occurred. Buyer shall use reasonable efforts to minimize Replacement Costs.
- 7.1.4 If Seller is liable for Replacement Costs, as set forth in Section 7.1.3, Seller shall also credit Buyer on its bill or invoice for the month in which the deficiency occurred an amount equal to U.S. \$0.50 for each MMBtu of the Daily Supply Deficiency plus a further U.S. \$0.20 for each MMBtu if Seller's failure to deliver resulted in Buyer being unable to utilize an equivalent amount of NGPL capacity. Buyer shall notify Seller within five (5) days of the end of the month in which a deficiency occurred of the amount of NGPL capacity Buyer was unable to utilize. Buyer shall use reasonable efforts to minimize unutilized NGPL capacity.

7.1.5 If the failure to deliver is not excused by Article 14, and Seller is unable to cure this failure to deliver within sixty (60) days of its occurrence, either party may serve the other written notice of its intent to terminate this Agreement ("Termination Notice"). This Agreement will terminate upon the expiration of thirty (30) days from the Termination Notice unless prior to the expiration of the thirty (30) days, Seller demonstrates, to Buyer's reasonable satisfaction, that Seller's ability to fulfil its obligations for the remaining term of the Contract has been restored.

7.1.6 The remedies in this Article 7, and Section 3.5, shall be the sole remedies available to Buyer in the event of a failure to deliver not excused by Article 14.

7.2 Failure to Purchase

7.2.1 In the event that Buyer fails to purchase Gas up to its Annual Purchase Obligation in any Contract Year, the amount of Gas (in Mcfs), if any, by which Buyer's purchases during that Contract Year are less than Buyer's Annual Purchase Obligation shall be the "Annual Purchase Deficiency."

7.2.2 In the event that Buyer fails to purchase Gas up to its Monthly Purchase Obligation in any Month, the amount of Gas (in Mcfs), if any, by which Buyer's purchases during that Month are less than Buyer's Monthly Purchase Obligation shall be the "Monthly Purchase Deficiency."

7.2.3 If Buyer incurs a Monthly Purchase Deficiency, Seller shall provide Buyer with a report ("Short-Term Sales Report"), which shall indicate the volume weighted-average price received by Seller for short-term sales made by Seller during the Month in which the Monthly Purchase Deficiency occurred. The Short-Term Sales Report shall include all sales which occurred within the Province of Alberta or utilizing any transportation along the transportation path from McNeil, Alberta to the Point of Delivery. Buyer shall pay to Seller the amount, if any, by which the Monthly Commodity Charge exceeds the volume weighted-average price indicated by the Short-Term Sales Report. This amount shall be multiplied by each unit of the Monthly Purchase Deficiency. Any Canadian sales reported in the Short-Term Sales Report shall be converted to U.S. prices in accordance with Section 2.2

- 7.2.4 If Buyer incurs an Annual Purchase Deficiency, Seller shall provide Buyer with a Short-Term Sales Report for each Month in which Buyer purchased less than eighty percent (80%) of the available volumes. Buyer shall pay to Seller an amount equal to the Annual Purchase Deficiency less the sum of the Monthly Purchase Deficiencies in such Contract Year, multiplied by the amount by which the volume weighted-average Monthly Commodity Charge for the months in which Buyer purchased less than eighty percent (80%) of the available volumes exceeds the volume weighted average of the prices in the Short-Term Sales Report for the Months in which Buyer purchased less than eighty percent (80%) of the available volumes.
- 7.2.5 The remedies in this Article 7 shall be the sole remedies available to Seller in the event of a failure to purchase not excused by Article 14.
- 7.2.6 Seller will use reasonable efforts to obtain the best price reasonably available for volumes not taken by Buyer.
- 7.3 For the purposes of Section 7.2, whenever Buyer is unable to purchase due to an event of force majeure as defined in Article 14, during the period of force majeure, Buyer will be deemed to have purchased at the level of the Nominated Volume in effect immediately prior to the event of force majeure.
- 7.4 For the purposes of Section 7.1.3, 7.2.3 and 7.2.4, the Daily Supply Deficiency, Monthly Purchase Deficiency or Annual Purchase Deficiency (in Mcfs) shall be converted to MMBtu utilizing the average Heating Value for the period in which the deficiency occurred, or if not available, the average Heating Value for the previous Month.

ARTICLE 8 – PRICE

8.1 Price

For the period August 1, 1994 to October 31, 1994 the Price will be Natural Gas Pipeline Co. of America Oklahoma index as published in the first Issue of Inside F.E.R.C.'s Gas Market Report under "Spot Gas Delivered to Pipelines", or such other price as may be agreed in writing by the parties.

For the remaining term of the Agreement from and after November 1, 1994 the Price to be paid by Buyer for Gas supply and service under this Agreement will consist of the applicable Monthly Demand Charge and the Monthly Commodity Charge per MMBtu delivered.

8.2 Monthly Demand Charge

The Monthly Demand Charge shall be the product of the number of days in the Month multiplied by \$ U.S. 10,000.00.

8.3 Monthly Commodity Charge

8.3.1 The Monthly Commodity Charge for each MMBtu delivered by Seller to Buyer at the Point of Sale in a Month shall be the Chicago Citygate Price ("CCG") calculated by taking the arithmetic average of prices reported in (i) the first issue published in such Month of Gas Daily under the table "Monthly Contract Index" for Gas delivered to Chicago (NGPL - LDC's), and (ii) the first issue of Natural Gas Intelligence Non-Utility "City Gate Prices" under the heading "Avg." for Gas delivered to Illinois via NGPL and then subtracting the sum of the following components:

- (a) The Monthly Demand Charge paid converted to \$U.S./MMBtu using the DCQ and the actual Heating Value reported for gas delivered that Month (U.S.\$10,000.00 ÷ DCQ x Actual Heating Value of gas delivered);
- (b) NGPL transportation charges of \$ U.S. 0.20/MMBtu;
- (c) NGPL ACA charges (as defined in the NGPL Tariff)
- (d) NGPL fuel charge calculated as the Harper Price less the quotient obtained by dividing the Harper Price ("HP") by one (1) plus the NGPL Fuel Rate ("NFR") where:

"HP" means the Chicago Citygate price less items (b) and (c) above;

"NFR" means NGPL's published or posted fuel rate for the Harper to Chicago path for the delivery point expressed in decimal points.

$$\text{Example: NGPL Fuel Charge} = \text{HP} - \left(\frac{\text{HP}}{1 + \text{NFR}} \right)$$

- 8.3.2 It is the intent of the parties that the components listed in Section 8.3.1(b), (c), and (d) reflect the total cost paid by Buyer to transport the gas from Harper, Iowa to Chicago, Illinois under the terms of Seller's Letter Agreement with NGPL dated August 9, 1994. In the event that Buyer's total cost on NGPL, including charges collected by NGPL pursuant to the paragraph entitled "Condition" of this Letter Agreement, is less than or greater than the sum of these components, then these components shall be adjusted so that their sum reflects Buyer's total cost on NGPL.

ARTICLE 9 – BILLING AND PAYMENTS

9.1 Monthly Statements and Payments

- 9.1.1 Seller shall render to Buyer on or before the tenth (10th) day of each Month ("Invoice Date") a complete and mathematically accurate statement for the preceding Month (the "Sale Month") showing the quantity of gas delivered, the Heating Value and the total amount payable by Buyer stated in U.S. dollars ("the U.S. Dollar Sum"). If data as to actual deliveries is not available by the tenth (10th) Day of any Month, Seller shall render an invoice based upon its good faith estimate of the volumes delivered. On the next invoice following the determination of data as to actual deliveries, any difference between the estimated deliveries and actual deliveries shall be credited or invoiced, as applicable.
- 9.1.2 Buyer agrees to deposit by wire transfer in Seller's account at the Bank of Montreal, Calgary, Alberta, Canada, or such other bank as may be designated by Seller, on or before 12:00 Noon Central Standard Time on the twenty-fourth (24th) day of each Month ("Payment Date"), the U.S. Dollar Sum for the Sale Month. In the event that Buyer has not received Seller's statement on or before the Invoice Date, the Payment Date will be extended one (1) day for each day after the Invoice Date until Buyer receives Seller's statement. If the

Payment Date is not a Business Day, then payment will be due on the Business Day prior to the Payment Date.

- 9.1.3 Buyer and Seller shall use all reasonable efforts to make payments when due. If either Buyer or Seller fails to tender payment to the other Party in accordance with the terms of this Article 9 when such payment is due, unless otherwise agreed by Buyer and Seller, interest thereon shall accrue at the rate set forth in Section 9.4.
- 9.1.4 If Buyer's failure to pay continues for thirty (30) days beyond the due date in addition to all other remedies, Seller may suspend the delivery of Gas provided that Seller notified Buyer in writing fifteen (15) days prior to the suspension of deliveries of its intent to do so and gave Buyer the right to pay the amount due to Seller within the fifteen (15) day period. If Buyer in good faith disputes the amount of any bill, pays to Seller the amounts it concedes to be correct, and either (1) furnishes or causes to be furnished a good and sufficient bond, or (2) deposits the disputed amount in escrow, in either case under terms reasonably satisfactory to Seller and sufficient to guarantee payment to Seller of the amount ultimately found due upon such bill after a final determination reached either by agreement or judgement of the courts, then Seller shall not be entitled to suspend further deliveries of gas because of such non-payment unless and until default be made in the conditions of such bond or the terms of the escrow established.
- 9.1.5 All computations made with respect to the Price and reimbursements shall be made to the nearest one-tenth of one cent (\$0.001), with the invoice amount being rounded to the nearest one (1) cent.

9.2 Inaccuracies and Adjustments

If either Seller or Buyer shall discover any error or inaccuracy in invoices, statements, billings, payment, calculations or determinations under this Agreement, then proper adjustment and correction shall be made as promptly as practicable thereafter, with payment due to the appropriate Party within ten (10) days thereafter, provided, however, that if no such errors or inaccuracies are identified by either Buyer or Seller

and reported to such other Party within twenty-four (24) Months from the date of such statement, billing, payment, calculation, or determination, the same shall be deemed conclusively to be correct.

9.3 Right to Audit

9.3.1 Each Party shall have the right at its own expense, and no more frequently than one time each Contract Year, to examine and audit at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statements or charges made under or pursuant to any of the provisions of this Agreement. Upon receipt of a request, each Party shall also make available to the other for audit purposes any relevant records of the Transporter(s) to which such Party has access.

9.3.2 Each Party shall maintain all books, records and charts related to any statement, billing, payment, calculation or determination made pursuant to this Agreement for a period of six (6) years.

9.4 Interest

If either Party fails to pay or credit any amount or refund when claimed and due, and such amount is not successfully disputed by such Party, interest on any amount finally determined to be due will accrue at the annual rate equal to two percent (2%) above the U.S. Base Lending Rate charged by the Bank of Montreal, Calgary, Alberta, from time to time, or the maximum legal rate, whichever is the lesser.

ARTICLE 10 -- TITLE, RISK OF LOSS

10.1 Title and Possession

10.1.1 Possession of and title to Gas sold by Seller to Buyer under this Agreement shall pass from Seller to Buyer at the Point of Sale.

10.1.2 Upstream of the Point of Sale, as between Seller and Buyer, Seller shall be deemed to be in control of, have possession of, and be responsible for such Gas.

- 10.1.3 Downstream of the Point of Sale, as between Seller and Buyer, Buyer shall be deemed to be in control of, have possession of, and be responsible for such Gas.
- 10.1.4 Seller warrants that it shall at the time of delivery at the Point of Sale have good title to all Gas sold to Buyer under this Agreement, free and clear of all liens, encumbrances and claims whatsoever and that Seller shall indemnify Buyer and save it harmless from all suits, actions, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to the title of said Gas, which arise prior to title passing to Buyer.
- 10.1.5 Buyer shall indemnify Seller and save Seller harmless from all suits, actions, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to the title of said Gas, which arise after title passes to Buyer.

ARTICLE 11 – TAXES

- 11.1 Any taxes or levies imposed by any authority upon the sale, use or transportation of Gas under this Agreement prior to the Point of Sale including, but not limited to, Canadian sales taxes or export levies shall be the responsibility of Seller.
- 11.2 Any taxes imposed by any authority upon the sale, use or transportation of Gas under this Agreement after the Point of Sale, including, but not limited to, sales, use, utility city license, energy, transportation or import taxes shall be the responsibility of Buyer.

ARTICLE 12 – QUALITY, PRESSURE AND MEASUREMENT

12.1 Quality

Buyer and Seller each recognize that the Gas delivered and sold by Seller and purchased by Buyer will be from a commingled stream of Gas. Seller agrees that the Gas delivered into the Upstream Pipelines will meet the then effective quality specifications of the Upstream Pipelines. If the Gas that Seller causes to deliver, fails at any time to conform to the quality specifications of the Transporter receiving the Gas at the Point of Sale, and such Transporter refuses to accept such Gas for transport for

Buyer's account, then Buyer will be relieved of its obligation to purchase Gas until Seller has rectified the quality problem, and such inability to deliver Gas by Seller shall be excused for the purposes of Section 7.1.3, Section 7.2, and Buyer's obligation to pay the Monthly Demand Charge will be adjusted in accordance with Section 7.1.4.

12.2 Pressure

The Gas will be delivered to NGPL for the account of Buyer at pressure sufficient to be received into the Downstream Pipeline.

12.3 Measurement

For billing purposes, the quantity and Heating Value of Gas delivered hereunder will be calculated from the measurements taken at the meter or instruments installed, operated and maintained by the measuring Transporter at the Point of Sale. Measurement will be based on the tariff specifications of such Transporter as such specifications may be changed from time to time by such Transporter, provided, however, that notwithstanding any provision in such tariff to the contrary, payment for Gas delivered hereunder shall be based on the total Heating Value of the Gas received.

12.4 Conversions

Where required, standards of measurement will be converted to metric measures or to imperial measures. The conversion of any quantity or value referred to below will be done using the following equivalent factors:

1 MMBtu (dry)	=	1.054615 GJ
1 Mmcf	=	28.32784 10 ³ m ³
psi X 6.894757	=	kPa
(°F - 32) X 5/9	=	°C

ARTICLE 13 -- IMBALANCES

- 13.1 Buyer and Seller agree to use best efforts to minimize imbalances on Transporter(s) as such imbalances are defined in the respective tariffs of Transporters and to otherwise minimize circumstances that may give rise to pipeline penalties or charges in a given Month. If penalties or charges are imposed on either Party by Transporter(s) transporting Gas hereunder, as a result of the delivery, non-delivery, receipt or non-receipt of Gas, Buyer and Seller shall use best efforts and cooperate to ascertain expeditiously the cause of such fees, penalties or charges and to mitigate and resolve them. The Party responsible for causing the penalty shall be responsible for paying any associated fees, penalties or charges.

ARTICLE 14 -- FORCE MAJEURE

14.1 Excuse from Performance

Neither Buyer nor Seller shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of any event constituting force majeure and the obligations of Seller and Buyer then existing hereunder shall be excused during the period thereof to the extent affected by such event of force majeure. The term "Force Majeure" shall mean any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakages or accident to machinery or lines of pipe, line freeze-ups, temporary failure of gas supply due to similar causes, but only to the extent that such failure of supply can be demonstrated to affect Seller's ability to obtain supply from its contracted supply sources in western Canada below the level of its then existing firm sales obligation; curtailment or interruption in any firm gas transmission service necessary for transportation of gas to or from the Point of Sale, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, which prevents the performance of and is not within the control of the party claiming excuse. In no event shall lack of finances or commercial impracticability be considered an event of Force Majeure.

14.2 An event of Force Majeure affecting either party's performance under this Contract shall not relieve the non performing party of liability:

14.2.1 to the extent that the negligence of the non-performing party or its affiliates was the proximate cause of the event;

14.2.2 to the extent the non-performing party fails to remedy the situation and remove or overcome the cause of the event with due diligence and all reasonable dispatch;

14.2.3 from the obligation to make any payments due hereunder for actions taken prior to the event of Force Majeure; and

14.2.4 unless the non-performing party shall give notice and full particulars of the same as soon as possible after the occurrence of the event for which excuse is claimed.

14.3 Consequences of Force Majeure

14.3.1 To the extent that Seller's failure to deliver is occasioned by an event of Force Majeure, and excused for the purposes of Article 7, Seller will nevertheless, on its statement for the month in which the failure occurred, credit Buyer for an amount equal to U.S. \$0.50/MMBtu plus, to the extent that Seller's failure caused Buyer to be unable to utilize its NGPL capacity, U.S. \$0.20/MMBtu, for each MMBtu Seller failed to deliver in response to the Nominated Volume as a result of the Force Majeure event. Buyer shall notify Seller within five (5) days of the end of the Month in which the failure occurred, of the amount of NGPL capacity that Buyer was unable to utilize. Buyer shall use reasonable efforts to minimize unutilized NGPL capacity.

14.3.2 Except when Seller fails to deliver as a result of Force Majeure, as specified in Section 14.3.1, no event of Force Majeure shall relieve Buyer of its obligations with respect to the payment of the Monthly Demand Charge.

14.4 Due Diligence Obligation of Parties

Each party agrees to use due diligence to assist the other party in mitigating any cost incurred by that party, as a result of the other party's failure to perform as a consequence of an event of Force Majeure.

ARTICLE 15 – RENEGOTIATION

15.1 Alternate Monthly Commodity Charge

15.1.1 Non-Representative Commodity Charge Index

- 15.1.1.1 If, at any time, in good faith, either Party determines that one (1) or more of the Indices used to calculate the Monthly Commodity Charge no longer is representative of the then prevailing market price for thirty (30) day firm supplies of Gas, either Party may request a reassessment of the index or indices used to determine the Monthly Commodity Charge by giving the other Party written notice of such reassessment during the Month of June of the then current Contract Year.
- 15.1.1.2 If a notice in Section 15.1.1 is given, the Parties agree to negotiate in good faith (a) to agree upon a mutually satisfactory replacement Index (or Indices) that is published, or (b) to develop an appropriate alternative method of calculating the Monthly Commodity Charge that reasonably represents the market price for thirty (30) day firm supplies of Gas. The effective date of any such reassessed Indices or method of calculating the Monthly Commodity Charge shall be the first Day of the Month following the notice as described in Section 15.1.1.1 and the receipt of any regulatory approval from Canadian Regulatory Authorities or U.S. Regulatory Authorities, if required.
- 15.1.1.3 If pursuant to good faith negotiations, Seller and Buyer are unable to agree on a replacement indices or reassessed

method of calculating the Monthly Commodity Charge within thirty (30) days of the date of the written notice of reassessment given pursuant to Paragraph 15.1.1.1, then either Party may refer the matter to arbitration pursuant to Article 16 of this Agreement.

15.1.2 Cessation of Publication of Monthly Commodity Charge Index

15.1.2.1 In the event that any of the Indices used to determine the Monthly Commodity Charge is no longer published, the Parties shall negotiate in good faith to agree upon a mutually satisfactory replacement Index or Indices that is published and represents the market price for thirty (30) day firm supplies of Gas. The effective date of such replacement index or indices used to determine the Monthly Commodity Charge, for which receipt of any regulatory approval from Canadian Regulatory Authorities or U.S. Regulatory Authorities, if required, has been received, shall be the first Day of the Month following cessation of publication of the index or indices being replaced.

15.1.2.2 If pursuant to good faith negotiations, Seller and Buyer are unable to agree on a replacement index or indices within thirty (30) days of the date that the index or indices that had been used is no longer published, then either Party may refer the matter to arbitration pursuant to Article 16 of this Agreement.

15.1.3 Price Pending Reassessment of Monthly Commodity Charge

If pursuant to this Article 15, the Monthly Commodity Charge is to be reassessed, or renegotiated, pending such reassessment, the Monthly Commodity Charge shall be the last effective Monthly Commodity Charge preceding initiation of the reassessment.

ARTICLE 16 -- ARBITRATION

- 16.1 Upon written notice from either Party requesting arbitration under this Agreement, unless otherwise agreed to by the Parties, the following will apply:
- 16.1.1 The arbitration will be referred to the British Columbia International Commercial Arbitration Centre ("BCICAC") and finally resolved by arbitration under the rules of the BCICAC ("BCICAC Rules").
- 16.1.2 The place of arbitration will be Vancouver, British Columbia, Canada.
- 16.1.3 The case will be administered by the BCICAC in accordance with the "Procedures for cases under the BCICAC Rules."
- 16.1.4 Each notice demanding arbitration shall name one (1) arbitrator. The Party receiving such notice shall, within ten (10) days thereafter, by notice to the other, name the second arbitrator, or failing to do so, the Party giving notice demanding arbitration shall name the second. The two (2) arbitrators so appointed shall name the third, or failing to do so within ten (10) days, then upon the request of either Party the third arbitrator shall be appointed by the BCICAC. All costs for the hearing facilities and for the arbitrators shall be divided equally between Buyer and Seller.
- 16.1.5 The decision of the arbitrators will be delivered within thirty (30) days from the date the hearing concludes. The decision of the arbitrators (by majority vote) shall be final and binding, subject only to such appeal as may be permitted for binding arbitration decisions under the International Commercial Arbitration Act of British Columbia, and any regulatory approvals that may be required. The Parties agree to use due diligence in obtaining such regulatory approvals.
- 16.2 For arbitration of a dispute under Section 15.1.1, the Parties agree that the scope of such arbitration only shall be to determine whether the challenged index or indices is non-representative of the market price for thirty (30) day firm supplies of Gas and, if such index or indices is non-representative, to determine an appropriate replacement index or indices reflecting the market price for thirty (30) day firm supplies of Gas or an

alternative method of calculating the Monthly Commodity Charge that reasonably represents the market price for thirty (30) day firm Supplies of Gas.

- 16.3 For arbitration of a dispute under Section 15.1.2, the Parties agree that the scope of such arbitration only shall be to determine an appropriate replacement index or indices reflecting the market price for thirty (30) day firm supplies of Gas.
- 16.4 In no event shall the Monthly Demand Charge provision be subject to change or modification through arbitration unless otherwise agreed by the Parties.
- 16.5 Pending the outcome of any such arbitration of a dispute under Section 15.1.1, the terms in effect immediately prior to such arbitration will remain in effect. Any modification approved by the arbitrator(s) will be effective prospectively only, and such modification will become effective on the first day of the first Month following the decision of the arbitrators and the receipt of any regulatory approval from Canadian Regulatory Authorities or U.S. Regulatory Authorities, if required, but in no event earlier than the first day of the Contract Year following the date on which notice of the renegotiation that resulted in such arbitration was given.
- 16.6 Pending the outcome of any such arbitration of a dispute under Section 15.1.2, the terms in effect immediately prior to such arbitration will remain in effect. Any replacement index or indices approved by the arbitrator(s) and for which any regulatory approval from Canadian Regulatory Authorities or U.S. Regulatory Authorities, if required, has been received will be effective as of the first Day of the Month following cessation of the publication of the index or indices being replaced.

ARTICLE 17 – LAWS AND REGULATORY BODIES

- 17.1 This Agreement and the rights and obligations of the Parties hereunder are subject to all applicable present and future laws, regulations and orders of any regulatory, executive or legislative body or other duly constituted authority having jurisdiction over Seller or Buyer.
- 17.2 This Agreement will be governed by, and construed in accordance with, the laws of the Province of Alberta.

ARTICLE 18 – TRANSFER AND ASSIGNMENT

18.1 Binding Nature: Assignment As Security

This Agreement shall be binding upon and inure to the benefit of the successors and assigns, or the heirs, administrators, or executors, of the Parties hereto. Either Party hereto may assign its right, title and interest in, to and under this Agreement, including without limitation, any and all renewals, extensions, amendments, and/or supplements herein, to any individual, bank, trustee, company or corporation as security for any notices, bonds or other obligations or securities of such assignor, provided, however, that no such assignment shall in any way operate to enlarge, alter or change any obligation of the other Party hereto.

18.2 Assignment

Seller and Buyer each reserve the right to assign this Agreement in part or in its entirety to any of their respective affiliates including without limitation, Tenaska Marketing Ventures; however, ultimate responsibility for performance hereunder shall remain with the assigning Party hereto unless otherwise consented to by the other Party. Except as otherwise provided in this Agreement, this Agreement may not be assigned by either Party without the prior written agreement of the other Party, such agreement not to be unreasonably withheld.

ARTICLE 19 – NOTICES

19.1 Any notice, request, demand, invoice or statement, provided for in this Contract, except as otherwise herein provided, shall be given by telecopy to the Parties hereto at the telecopy number shown below or at such other telecopy number as may hereafter be furnished to the other Party in writing and promptly confirmed in writing, delivered in person or by United States Mail or Canadian Mail, all postage or costs prepaid, at the addresses shown below or at such other addresses as may hereafter be furnished to the other Party in writing:

To Seller: ProGas U.S.A., Inc.
3300, 400 Third Avenue S.W.
Calgary, Alberta
T2P 4H2

Attention: Manager, Marketing

Telephone: (403) 298-0600
Telecopier: (403) 268-0354

To Buyer: Tenaska Gas Co.
1044 N. 115th St., Suite 400
Omaha, Nebraska 68154
U.S.A.

Attention: Larry Pearson

Telephone: (402) 691-9505
Telecopier: (402) 691-9538

- 19.2 The parties agree that all notices, statements or bills will first be delivered by telecopier and shall be deemed to be received when receipt is verified to the Sender. Alternatively, any notice, statement or bill or other document made, given or delivered under this Agreement by mail shall be deemed to have been effectively delivered to the addressee thereof at the end of the fifth (5th) business day after the date of mailing by prepaid registered mail and return receipt requested in the United States mail or Canadian mail. Any such notice, statement, bill or other document delivered by hand or courier shall be deemed effective when delivered to the addressee and confirmed by record of the Party making the delivery.
- 19.3 Either Party may change its address, telephone number or telecopier number from time to time by giving written notice of such change to the other Party.

ARTICLE 20 - MISCELLANEOUS

- 20.1 This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes any other prior agreements, written or oral, between the parties concerning such subject matter unless specifically stated herein. No amendment will be effective unless reduced to writing and signed by both Parties.

20.2 In no event will either Party to this Agreement be liable to the other Party for indirect, consequential or special damages, including without limitation, loss of profits or income, loss of business expectations, business interruptions, loss of contract or any damage to third parties arising out of this Agreement or breach thereof.

20.3 No waiver by either Seller or Buyer of any default of the other under this Agreement shall operate as a waiver of any future default, whether of like or different character or nature.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate and, if necessary, their corporate seals to be hereunto affixed and attested by the hands of their proper officers duly authorized in that behalf this 11 day of November, 1994.

PROGAS U.S.A., INC.

Per: [Signature]

Per: [Signature]

TENASKA GAS CO.

Per: [Signature]

Per: Vice President
11/10/94

DEPT.	SMT.
Pres	
Dir	
Mgr	
Sup	
Asst	

EXHIBIT "C"

THIS GAS PURCHASE CONTRACT made as of the 1st day of July, 1990

BETWEEN:

PROGAS LIMITED,
a body corporate, having an office in the
City of Calgary, in the Province of Alberta
(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

PROGAS U.S.A. Inc.,
a Delaware corporation, having an office in the
City of Calgary, in the Province of Alberta
(hereinafter referred to as "Buyer")

OF THE SECOND PART

WHEREAS, Seller has contracted to purchase natural gas from producers in the Province of Alberta and desires to sell certain quantities of such gas on behalf of such producers on a firm or interruptible basis to buyers in the United States and Canada; and

WHEREAS, Buyer is a wholly-owned subsidiary of Seller incorporated for the purpose of increasing the ability of Seller to access natural gas markets in the United States; and

WHEREAS, it is anticipated that, from time to time, occasions may arise in which Seller can access interruptible gas markets in the United States by selling gas to Buyer for resale into such markets; and

MICROFILMED

WHEREAS, pursuant to the terms of this Agreement, Seller wishes to sell to Buyer and Buyer wishes to purchase from Seller volumes of gas on an interruptible basis as herein provided:

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

QUANTITY

1.01 Subject to the conditions herein contained, Seller agrees to sell and deliver to Buyer, and Buyer agrees to purchase and receive from Seller, all on an interruptible basis, such volumes of natural gas as Buyer from time to time requests out of the volumes of gas made available by Seller, up to a daily volume of gas as agreed upon from time to time pursuant to Schedule "A" attached hereto. Neither Seller nor Buyer have any firm obligation to sell and deliver or purchase any specific minimum quantity of gas on any day or during any month.

ARTICLE II

POINT OF DELIVERY AND TITLE

2.01 The Point of Delivery for all gas delivered and purchased under this Agreement shall be as agreed upon from time to time pursuant to Schedule "A" attached hereto. Seller

shall be responsible for ensuring that all necessary Canadian regulatory authorizations are in effect to enable Seller to sell and deliver to Buyer the volumes hereunder. Buyer shall be responsible for ensuring that all necessary United States regulatory authorizations are in effect to enable Buyer to purchase and receive the volumes hereunder.

2.02 Possession of and title to all gas delivered hereunder shall pass from Seller to Buyer at the Point of Delivery. Until title to the gas is passed to Buyer, Seller shall be deemed to be in control and possession of, and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of, and be responsible for such gas.

2.03 Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or other charges thereon which attach while title remains with Buyer.

ARTICLE III

QUALITY, PRESSURE, TEMPERATURE AND MEASUREMENT

3.01 The quality, pressure and temperature shall be of the quality, pressure and temperature standards utilized by the First Transporter (the initial pipeline transporting gas hereunder from Seller at the point of delivery). The gas to be delivered hereunder shall be measured at the Point of Delivery in compliance with the provisions contained in the First Transporter's tariff. The parties acknowledge that the standards respecting quality, pressure, temperature, measurement, corrections of metering errors and remedies respecting same set

(iii) any taxes, levies, or charges prescribed by law, or any government body, in respect of the subject sales. To the extent that any new taxes are recoverable from Buyer's customers or are eligible for refund on the export of gas purchases hereunder from Canada, Buyer shall use its best efforts to recover such taxes, or apply for such refund, as the case may be, so as to minimize the effect of such new taxes on the netback price hereunder as far as reasonably possible.

4.02 The monthly gas sales revenue received by Buyer from its customers shall be as a result of each of its sales arrangements downstream of the Point of Delivery. Each downstream sales arrangement shall be identified on the Schedule "A" attached hereto.

4.03 (a) On or before the twentieth (20th) day of each month following a month in which deliveries have been made pursuant to this Agreement, Seller shall render to Buyer a statement setting forth the quantity of gas delivered by Seller for the immediately preceding month, the heat content thereof and the amount payable by Buyer to Seller.

(b) Buyer shall make payment to Seller, according to the aforementioned invoice, in United States dollars, by wire transfer, to Seller's bank as designated by Seller from time to time. Buyer shall pay to Seller any amounts received by Buyer for gas sales to Buyer's customers, less the items specified in paragraph 4.01 (i), (ii), and (iii), within one (1) business day of Buyer's receipt of such payments.

by the First Transporter may change from time to time. In that event, the standards, as changed, shall be incorporated in this contract, as same become effective in the First Transporter's tariff.

ARTICLE IV
PRICE, BILLINGS AND PAYMENTS

4.01 Subject to the other provisions of this Article IV, Buyer shall pay Seller monthly during such period a unit price resulting from the total monthly gas sales revenue, expressed in United States dollars, received by Buyer from its customers, less the sum of the items listed in Sub-Subsections (i), (ii) and (iii) below, with the difference divided by the total quantity of gas delivered by Seller to Buyer. The unit price as determined herein, shall hereinafter be referred to as the "netback price".

The items to be deducted are:

- (i) the monthly transportation charges of United States transporters applicable to Buyers' sales, in addition to any cost of pipeline fuel and losses, taxes on the use of fuel, the carrying cost of line pack in such systems, and other transportation related charges as they apply to the subject sales; and
- (ii) Buyer's monthly cost of service which shall consist of any general and administrative costs incurred directly by Buyer; and

- (c) Without prejudice to any remedies available to Seller for nonpayment of monies due hereunder, should Buyer fail to pay any amount due to Seller by the due date, then interest thereon shall accrue at an annual rate of interest equal to the U.S. Base Lending Rate then charged by the main branch of the Canadian Imperial Bank of Calgary, Alberta, plus one percent (1%) per annum from the due date until the date of payment.
- (d) Unless objected to by either party within one hundred and twenty (120) days after the receipt by Buyer of the said invoice, the said invoice shall be accepted by both parties as correct. In the event either party takes objection to the said invoice within the said one hundred and twenty (120) day period, any adjustment required as a result of the settlement of the matter or matters giving rise to such objection shall be made in the month next following the month in which such settlement is made. Any unresolved disputes shall be referred by the parties to arbitration, unless otherwise mutually agreed.

ARTICLE V

TERM OF AGREEMENT

5.01 The term of this Agreement shall be from July 1, 1990 to October 31, 1990, and shall continue on a month by month basis thereafter, unless terminated by either party upon thirty (30) days prior written notice.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.01 This Agreement shall be conditional on both parties receiving, and the continuing existence of, any authorizations required to permit the sale and delivery of the volumes of gas hereunder.

6.02 Seller shall not be obligated to deliver gas hereunder where such delivery would cause Seller to be in breach of any of the obligations of Seller to its firm customers.

6.03 Except with respect to the obligation to pay amounts due hereunder, failure of either party to perform any obligation herein imposed upon it shall be deemed not to be a breach of such obligation if performance thereof is rendered impossible by a cause, other than lack of funds or inability to pay money when due, beyond the control of the party so failing to perform.

6.04 This Agreement and the rights and obligations of the parties hereto are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

6.05 This Agreement and the rights and obligations of the parties hereto shall be interpreted and construed according to the laws of Alberta.

6.06 (a) Every notice, statement or bill provided for in this Agreement shall be in writing directed to the party to whom given, made or delivered at such party's address as follows:

Seller: ProGas Limited
4100, 400 Third Avenue S.W.
Calgary, Alberta
T2P 4H2

Telephone: (403) 266-0300
Telecopier: (403) 266-0354

Buyer: ProGas U.S.A., Inc.
4100, 400 Third Avenue S.W.
Calgary, Alberta
T2P 4H2

Telephone: (403) 266-0300
Telecopier: (403) 266-0354

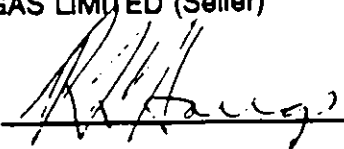
(b) All notices, statements or bills provided for herein shall be delivered in person or by telecopier or similar type of telecommunication, to the recipient party at its most recent address. Any such notice, statement, bill or other document delivered by hand or by telecommunication to the addressee shall be deemed to have been received at the time of delivery or at the time of transmission in the case of telecommunication, during normal office hours of the recipient party. All notices, statements, bills or other documents delivered by telecommunication shall be followed by delivery of same by mail.

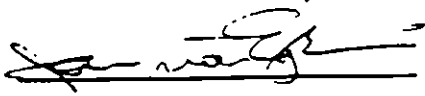
- (c) In the event that any such notices, statements or bills cannot be delivered by telecommunication then same shall be delivered by means of mail and same shall be deemed to have been received at the end of the third (3rd) business day after such notice has been deposited in a post office with requisite postage thereon, excluding Saturdays, Sundays and statutory holidays. Either party may change its address by giving notice to the other party.

6.07 This Agreement shall not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

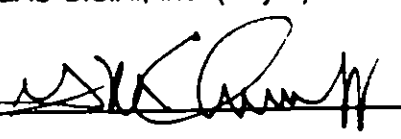
IN WITNESS WHEREOF this Agreement has been executed by the duly authorized representatives of each of the parties hereto.

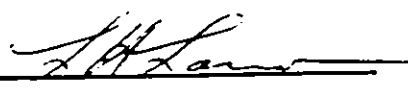
PROGAS LIMITED (Seller)

Per: 

Per: 

PROGAS U.S.A., Inc. (Buyer)

Per: 

Per: 

THIS AMENDING AGREEMENT made as of the 2nd day of July, 1990

BETWEEN:

PROGAS LIMITED,
a body corporate, having an office in the
City of Calgary, in the Province of Alberta
(hereinafter referred to as "Seller")

- and -

PROGAS U.S.A. Inc.,
a Delaware corporation, having an office in the
City of Calgary, in the Province of Alberta
(hereinafter referred to as "Buyer")

WHEREAS, Seller and Buyer have entered into a Gas Purchase Contract made as of the 1st day of July, 1990 ("Gas Purchase Contract") and Seller and Buyer wish to amend certain provisions of Article IV of the Gas Purchase Contract;

In consideration of the covenant and agreements herein contained the parties hereto agree to as follows:

1. Section 4.01 of the Gas Purchase Contract shall be deleted and substituted with the following:
 - "(a) "Subject to the other provisions of this Article IV, Buyer shall pay Seller monthly during such period a unit price resulting from the total monthly gas sales revenue, expressed in United States dollars, received by Buyer from its customers, less the sum of the items listed in Sub-

Subsections (i) through (iii), with the difference divided by the total quantity of gas delivered by Seller to Buyer. The unit price as determined herein, shall hereinafter be referred to as the "netback price".

The items to be deducted are:

- (i) the monthly transportation charges of United States transporters applicable to Buyers' sales, in addition to any cost of pipeline fuel and losses, taxes on the use of fuel, the carrying cost of line pack in such systems, and other transportation related charges as they apply to the subject sales;
- (ii) Buyer's monthly cost of service which shall consist of:
 - (A) any general and administrative costs incurred directly by or allocated to Buyer as they apply to the subject sales;
 - (B) an amount determined by multiplying Seller's return on rate base for the month by a fraction, the numerator of which is the ^{du.}project of Buyer's accounts receivable times the average noon spot foreign exchange rate for the month, and the denominator of which is the sum of consolidated accounts receivable of Buyer and Seller plus the consolidated rate base of Buyer and Seller, all

divided by the average noon spot foreign exchange rate for the month;

(C) the tax adjustment factor;

(D) such adjustments to the amounts calculated in subparagraphs (ii)(A), (ii)(B), and (ii)(C) for previous months in the fiscal year as are necessary due to revisions, adjustments or charges determined subsequent to the month end; and

(iii) any taxes, levies, or charges prescribed by law, or any government body, in respect of the subject sales. To the extent that any new taxes are recoverable from Buyer's customers or are eligible for refund on the gas purchases hereunder from Canada, Buyer shall use its best efforts to recover such taxes, or apply for such refund, as the case may be, so as to minimize the effect of such new taxes on the netback price hereunder as far as reasonable possible.

(b) For purposes of determining the netback price, the following terms shall have the meanings set out below:

(i) "Seller's return on rate base for the month" shall be ProGas Limited's monthly allowable amount of return on regulated

activities, as approved by the Alberta Petroleum Marketing Commission;

- (ii) "Buyer's accounts receivable" shall be the sum of Buyer's accounts receivable determined as at the month end;
- (iii) "Consolidated accounts receivable of Buyer and Seller" shall be the sum of Buyer's accounts receivable determined as at the month end times the average noon spot foreign exchange rate for month and the Seller's accounts receivable associated with regulated natural gas marketing activities, excluding G.S.T. receivables, determined as at the month end;
- (iv) "Consolidated rate base of Buyer and Seller" shall be the sum of Buyer's rate base determined as at the month end times the average noon spot foreign exchange rate for the month and Seller's rate base determined as at the month end;
- (v) "Average noon spot foreign exchange rate" shall be the monthly average noon spot foreign exchange rate as quoted by the Bank of Canada; and
- (vi) "Tax adjustment factor" shall be the amount of United States taxes which Buyer is subject to on account of its regulated

activities within the U.S., divided by the result of
Buyer's effective tax rate."

2. Lines 4 and 5 of Section 4.03 (c) shall be amended by substituting
"main branch of the Canadian Imperial Bank of Calgary, Alberta
branch of the Bank of Montreal, Calgary, Alberta".
3. This Amending Agreement shall be effective as of July 1st, 1991.
4. The Gas Purchase Contract as herein amended is ratified and approved.

IN WITNESS WHEREOF this Amending Agreement has been executed by the
authorized representatives of each of the parties hereto.

PROGAS LIMITED (Seller)
Per: [Signature]

Per: [Signature]

PROGAS U.S.A., Inc. (Buyer)
Per: [Signature]

Per: [Signature]

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PROGAS U.S.A., INC.)
_____)

REC'D DOE/FE
OFFICE OF FOSSIL ENERGY
1995 JUN 30 P 2:03
FE DOCKET NO. 95-333-NG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1065

JUNE 29, 1995

I. DESCRIPTION OF REQUEST

On May 10, 1995, ProGas U.S.A., Inc. (ProGas U.S.A.) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{1/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for authorization to import up to 20,000 Mcf per day of natural gas from Canada. ProGas U.S.A., a corporation organized under the laws of the State of Delaware, with its principal place of business in Calgary, Alberta, is owned by ProGas Limited, a private Canadian corporation. The gas would be imported under a contract between ProGas Limited and ProGas U.S.A., dated July 1, 1990, as amended, for resale to Tenaska Gas Co. (Tenaska). Tenaska is a Nebraska partnership serving customers in the Midwest. The proposed authorization would be effective as of the date of issuance of this order, and would extend until October 31, 2001, the expiration date of the gas supply contract between ProGas U.S.A. and Tenaska dated August 1, 1994.^{2/}

The gas would be imported at the border of the United States and Canada near Port of Morgan, Montana\Monchy, Saskatchewan, through the pipeline facilities of Northern Border Pipeline Company (Northern Border). ProGas Limited has arranged with NOVA Corporation of Alberta and Foothills Pipelines (Saskatchewan)

^{1/} 15 U.S.C. § 717b.

^{2/} Since August 1, 1994, ProGas U.S.A. has been importing this gas under its two-year blanket authorizations granted by DOE/FE Opinion and Order No. 639, issued June 25, 1992 (1 FE ¶ 70,602), followed by DOE/FE Order No. 1041, issued April 17, 1995 (not yet published).

Ltd. to transport the gas through Canada to Monchy. From Monchy, Northern Border would transport the gas to its interconnection with the facilities of Natural Gas Pipeline Company of America (Natural) near Harper, Iowa, and/or to Northern Border's interconnections with Northern Natural Gas Company (NNG) near Ventura, Iowa, and Grundy Center, Iowa. At these pipeline interconnection points, ProGas U.S.A. would sell the gas to Tenaska.

Tenaska intends to use the gas it purchases from ProGas U.S.A. primarily for serving markets on the Natural and NNG pipeline systems. From Harper, Iowa, Tenaska would transport the gas on Natural to its delivery point at Chicago, Illinois. From Ventura and Grundy Center, Iowa, Tenaska would transport the gas on NNG to various delivery points on NNG.

The import price paid to ProGas Limited by ProGas U.S.A. will be a "net back" price determined by Tenaska's price, less the cost of domestic transportation and ProGas U.S.A.'s cost of service. The contract between ProGas U.S.A. and Tenaska provides that Tenaska would pay ProGas U.S.A. a price for the gas that consists of a fixed monthly demand charge and a market-responsive monthly commodity charge. The monthly demand charge is fixed for the term of the contract and would be calculated as the product of the number of days in the month multiplied by (U.S.) \$10,000. The monthly commodity charge for each MMBtu of gas delivered by ProGas U.S.A. to Tenaska is referred to as the Chicago City Gate Price. The Chicago City Gate Price is calculated by taking the

arithmetic average of prices reported for gas delivered by Natural's pipeline system to Chicago, Illinois, as published each month in Gas Daily and for gas delivered by Natural to the State of Illinois as published in Natural Gas Intelligence. Then, that average is adjusted downward by subtracting the sum of the monthly demand charge paid by Tenaska and other components of the cost to Tenaska of transporting the gas from Harper, Iowa, to Chicago. In June of any contract year, either party may request renegotiation of the indices used to calculate the monthly commodity charge, with binding arbitration if the parties do not reach agreement.

The contract also provides for a minimum monthly and annual purchase obligation. Tenaska must purchase at least 40 percent of the daily contract quantity times the number of days in the month, and at least 80 percent of the annualized daily contract quantity. Tenaska may be required to pay a deficiency charge if it does not take the prescribed minimum quantities.

II. FINDING

The application filed by ProGas U.S.A. has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (P.L. 102-486). Under section 3(c), the importation of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without

modification or delay. The authorization sought by ProGas U.S.A. to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. ProGas U.S.A., Inc. (ProGas U.S.A.) is authorized to import, at Port of Morgan, Montana/Monchy, Saskatchewan, up to 20,000 Mcf per day of Canadian natural gas beginning on the date of this order, and extending through October 31, 2001. This gas shall be imported consistent with the terms and conditions of ProGas U.S.A.'s gas sales agreements with ProGas Limited and Tenaska Gas Co., dated, respectively, July 1, 1990, as amended, and August 1, 1994. Both agreements are on file in this docket.

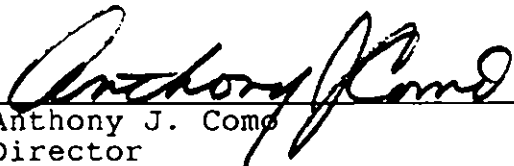
B. Within two weeks after deliveries begin, ProGas U.S.A. shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, ProGas U.S.A. shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar

quarter must be filed. If imports occur, ProGas U.S.A. must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered at Monchy, Saskatchewan, and paid to ProGas Limited. The monthly price information shall itemize separately the demand and commodity charges, if applicable.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1995, and should cover the period from the date of this order until the end of the current calendar quarter, June 30, 1995.

Issued in Washington, D.C., on June 29, 1995.



Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy

UNITED STATES OF AMERICA

[6450-01-P]

DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

[FE DOCKET NO. 95-33-NG]

PROGAS U.S.A., INC.

ORDER GRANTING LONG-TERM AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

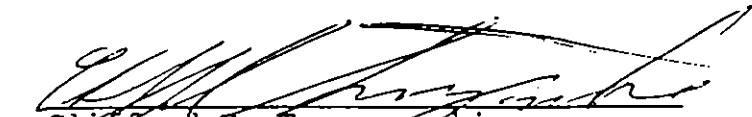
AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

SUMMARY: The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting ProGas U.S.A., Inc. authorization to import, near Port of Morgan, Montana/Monchy, Saskatchewan, up to 20,000 Mcf per day of Canadian natural gas, beginning on the date of the order, and extending until October 31, 2001. This gas will be resold to Tenaska Gas Co. to serve markets in the Midwest United States.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, D.C., June 29, 1995.


Clifford P. Tomaszewski
Director, Office of Natural Gas
Office of Fuels Programs
Office of Fossil Energy

protestants parties to the proceeding. Any person wishing to become a party to the motion must file a motion to intervene. Copies of the filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 95-16869 Filed 7-10-95; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. RP95-302-001]

**Young Gas Storage Company, Ltd.;
Notice of Tariff Compliance Filing**

July 5, 1995.

Take notice that on June 30, 1995, Young Gas Storage Company, Ltd. (Young), tendered for filing revised tariff sheets, to its FERC Gas Tariff, Original Volume No. 1. Young states that the new tariff sheets are filed in accordance with the June 15, 1995 letter order in Docket No. RP95-302-000. In the June 15 order, the Commission conditioned acceptance of Young's May 19, 1995 filing on a compliance filing by Young to reflect: (i) The reinstatement of the provisions allowing a releasing customer the option of determining the tie breaking method and (ii) comply with Order No. 577-A. Young has filed revisions to Sheet Nos. 55, 57, 58, 61, 62, 63 and Original Sheet No. 63A.

Accordingly, Young submitted for filing Second Revised Sheet Nos. 55, 57, 58, 61, 62, 63 and Original Sheet No. 63A to become effective July 10, 1995, the effective date of Order No. 577-A.

Young states that a copy of this filing was served upon all parties in this proceeding.

Any person desiring to protest said filing should file a protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with Section 385.211 of the Commission's Rules of Practice and Procedure (18 CFR 385.211). All such protests should be filed on or before July 12, 1995. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Copies of this filing are on file with the Commission and are available for public inspection in the public reference room.

Lois D. Cashell,

Secretary.

[FR Doc. 95-16882 Filed 7-10-95; 8:45 am]

BILLING CODE 6717-01-M

Office of Fossil Energy

[FE Docket No. 95-32-NG]

**ProGas U.S.A., Inc.; Order Granting
Long-Term Authorization to Import
Natural Gas From Canada**

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

SUMMARY: The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting ProGas U.S.A., Inc. authorization to import, near Port of Morgan, Montana/Monchy, Saskatchewan, up to 30,000 Mcf per day of Canadian natural gas, beginning on the date of the order, and extending until October 31, 2001. This gas will be resold to Natural Gas Clearinghouse to serve markets in the Midwest United States.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, D.C., June 29, 1995.

Clifford P. Tomaszewski,

Director, Office of Natural Gas, Office of Fuels Programs, Office of Fossil Energy.

[FR Doc. 95-16941 Filed 7-10-95; 8:45 am]

BILLING CODE 6450-01-P

[FE Docket No. 95-33-NG]

**ProGas U.S.A., Inc.; Order Granting
Long-Term Authorization to Import
Natural Gas From Canada**

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

SUMMARY: The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting ProGas U.S.A., Inc. authorization to import, near Port of Morgan, Montana/Monchy, Saskatchewan, up to 20,000 Mcf per day of Canadian natural gas, beginning on the date of the order, and extending until October 31, 2001. This gas will be resold to Tenaska Gas Co. to serve markets in the Midwest United States.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, D.C., June 29, 1995.

Clifford P. Tomaszewski,

Director, Office of Natural Gas, Office of Fuels Programs, Office of Fossil Energy.

[FR Doc. 95-16942 Filed 7-10-95; 8:45 am]

BILLING CODE 6450-01-P

[FE Docket No. 95-48-NG]

**Redwood Resources Inc.; Order
Granting Blanket Authorization to
Import Natural Gas From Canada**

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

SUMMARY: The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting Redwood Resources Inc. authorization to import up to 50 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, D.C., June 28, 1995.

Clifford P. Tomaszewski,

Director, Office of Natural Gas, Office of Fuels Programs, Office of Fossil Energy.

[FR Doc. 95-16944 Filed 7-10-95; 8:45 am]

BILLING CODE 6010-01-P

[FE Docket No. 95-47-NG]

**Tanglewood Storage & Transportation
Corp.; Order Granting Blanket
Authorization To Import and Export
Natural Gas From and to Canada and
Mexico**

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

SUMMARY: The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting Tanglewood Storage & Transportation Corp. (TSTC) authorization to import up to 200 Bcf and to export up to 200 Bcf of natural gas from and to Canada, and to import up to 200 Bcf and to export up to 200 Bcf of natural gas from and to Mexico. This import/export authorization shall extend for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first.

TSTC's order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056,