

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
PROGAS U.S.A., INC.) FE DOCKET NO. 95-22-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA

DOE/FE ORDER NO. 1041

APRIL 17, 1995

I. DESCRIPTION OF REQUEST _____

On April 5, 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 blanket authorization to import up to 800 Bcf and to export to up to 200 Bcf of natural gas from and to Canada. The term of the authorization would be for a period of two years beginning on April 1, 1995.^{2/} ProGas U.S.A., a Delaware corporation with its principal place of business in Calgary, Alberta, is owned by ProGas Limited, a private Canadian corporation. ProGas U.S.A. will import and export the gas under short-term and spot market transactions on its own behalf and as an agent for others. The construction of new pipeline facilities would not be involved.

II. FINDING _____

The application filed by ProGas U.S.A. has been evaluated to determine if the proposed import/export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import or export of natural gas

1/ 15 U.S.C. 717b. _____

2/ ProGas U.S.A.'s previous authorization to import and export natural gas, granted in DOE/FE Opinion and Order No. 639 (1 FE 70,602), expired June 30, 1994. Since that time, ProGas Limited has been importing gas for ProGas U.S.A. under ProGas Limited's authorization granted in DOE/FE Opinion and Order No. 482 (1 FE 70,424). ProGas U.S.A. requested April 1, 1995, as the effective date of this authorization for administrative

convenience regarding the quarterly reporting requirements.

from or to 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 and export natural gas from and to 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. This blanket order authorizes transactions under contracts with terms of no longer than two years.

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 up to 800 Bcf and to export to up to 200 Bcf of natural gas from and to Canada, over a two-year term, beginning April 1, 1995. This natural gas may be imported and exported at any point on the U.S./Canada border.

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 or export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, ProGas U.S.A. shall file with OFP,

within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, ProGas U.S.A. must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import and export transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry and exit; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

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 April 1, 1995, until the end of the second calendar quarter, June 30, 1995.

Issued in Washington, D.C., on April 17, 1995.

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

Office of Fossil Energy