

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
PROGAS U.S.A., INC.) FE DOCKET NO. 93-87-NG
_____)

ORDER AMENDING EXISTING AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 872-A

JUNE 26, 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 (FE) 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, to amend its long-term import authorization granted October 28, 1993, in DOE/FE Order No. 872 (Order 872).^{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. The gas is imported by ProGas U.S.A. from ProGas Limited for resale to Consumers Power Company (Consumers Power), a local gas distribution company which serves customers in the State of Michigan. Daily imports of 75,000 Mcf of natural gas were authorized through October 31, 2003. The price paid for the gas delivered by ProGas U.S.A. consists of a monthly demand charge and a monthly commodity charge.

The purpose of the amendment is to increase the amount of gas ProGas U.S.A. is authorized to import on a daily basis from 75,000 Mcf per day to 85,000 Mcf per day and to modify the existing price formula to reflect that the price paid by Consumers Power to ProGas U.S.A. would include, in addition to a monthly demand charge and a monthly commodity charge, a fuel transportation charge. These amendments were made in a November 1, 1993, amending agreement between ProGas U.S.A. and

1/ 15 U.S.C. 717b. —

2/ 1 FE 70,878. —

Consumers Power. All other terms of their previous gas sales agreement dated March 22, 1993, remain in effect.

II. FINDING _____

The application filed by ProGas U.S.A. has been evaluated to determine if the proposed import 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 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 proposal by ProGas U.S.A. to amend its long-term authorization 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. DOE/FE Order No. 872 (Order 872) is amended to authorize ProGas U.S.A., Inc. to import up to 85,000 Mcf per day of Canadian natural gas through October 31, 2003, in accordance with the pricing and other provisions of its gas sales agreement with Consumers Power Company dated March 22, 1993, as amended November 1, 1993.

B. In all other respects, Order 872 shall remain in full force and effect.

Issued in Washington, D.C., on June 26, 1995.

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