

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PROGAS U.S.A., INC.)
_____) FE DOCKET NO. 96-60-NG

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

DOE/FE ORDER NO. 1197-A

On September 16, 1996, the Office of Fossil Energy (FE) of the Department of Energy (DOE) granted long-term authorization to ProGas U.S.A., Inc. (ProGas) in DOE/FE Order No. 1197 (Order 1197) to import from Canada up to 10,309 Mcf per day of natural gas, plus gas required for transportation, for resale to the City of Perham. This authorization is effective from September 16, 1996, through October 31, 2002.

On October 4, 1996, ProGas notified FE that it had amended its gas sales agreement with the City of Perham by a term sheet dated September 6, 1996. The amending agreement, effective November 1, 1997, extends the termination date to October 31, 2012, and provides for an incremental volume of 1,000 MMBtu's per

day of natural gas, plus gas for transportation. The extended sale and the transportation of the volumes will remain under the same terms and conditions contained in Order 1197. The price of

the incremental volumes to be sold to the City of Perham will consist of a monthly demand and commodity charge. The commodity charge is equal to the total price calculated under the gas sales agreement of November 1, 1992.

ProGas states that it inadvertently requested authority to import up to 10,309 MMBtu per day of natural gas, plus gas for transportation, and requests that the volumes be reduced to 1,309 MMBtu per day of natural gas, plus gas for transportation.

Under section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486), 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 related applications must be granted without modification or delay. Approving ProGas' application to amend its current authority covering imports of natural gas produced in Canada 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. 1197, issued to ProGas U.S.A., Inc. (ProGas) on September 16, 1996, is amended to authorize ProGas to import up to an additional 1,000 MMBtu per day of natural gas, plus gas required for transportation, under the terms and

conditions of an Amending Agreement dated September 6, 1996, between ProGas and the City of Perham, and extending the term until October 31, 2012. This additional volume of natural gas may be imported at the interconnect of TransCanada PipeLines Ltd. and Viking Gas Transmission Company at the international border at Noyes, Minnesota.

B. With respect to the natural gas imports authorized by this Order, ProGas shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, a quarterly report indicating by month the volumes and prices of natural gas imported pursuant to this Order. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, ProGas must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered at the international border. The monthly price information shall itemize separately the monthly demand and commodity charges, fuel charges, winter surcharge, and, if applicable, reservation fees.

C. The natural gas import authorization previously granted in Order 1197 is hereby amended to reduce the daily volumes that ProGas may import to 1,309 MMBtu per day of natural gas, plus gas for transportation.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1997, and should cover the period from the date of this Order through

the end of the fourth calendar quarter, December 31, 1996.

E. All terms and conditions in Order 1197 remain in full force and effect.

Issued in Washington, D.C., on October 16, 1996.

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