

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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PROGAS U.S.A., INC.	)	FE DOCKET NO. 96-65-NG
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ORDER GRANTING LONG-TERM AUTHORIZATION TO  
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1206

OCTOBER 16, 1996

I. DESCRIPTION OF REQUEST

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On September 26, 1996, ProGas U.S.A., Inc. (ProGas) 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, requesting authorization to import from Canada up to 16,402 MMBtu<sup>2</sup>/ per day of natural gas, plus gas required for

transportation, on a long-term basis, from November 1, 1997, through October 31, 2007. ProGas is a corporation under the laws of the State of Delaware with its principal place of business in Calgary, Alberta, Canada, and is beneficially owned by ProGas Limited.

Pursuant to the terms of a natural gas purchase agreement dated July 1, 1990, as amended July 2, 1990, ProGas will purchase the natural gas to be imported from ProGas Limited under a netback arrangement, and resell the supplies directly to end-users and others in "first sale" transactions. ProGas states that the imported natural gas will enter the United States at the interconnection of TransCanada PipeLines Ltd. and Iroquois Gas Transmission System (Iroquois) at Waddington, New York, for sale and delivery to markets off Iroquois. The price of natural gas sold off Iroquois will be a market-based price negotiated at the time of the sale.

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

2/ This volume is equivalent to 16,402 Mcf of natural gas.

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## II. FINDING

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The application filed by ProGas 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 import 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 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

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

A. ProGas U.S.A., Inc. (ProGas) is authorized to import from Canada up to 16,402 Mcf per day of natural gas, plus gas required for transportation, from November 1, 1997, through October 31, 2007, under the terms and conditions of the gas purchase and sales agreements dated July 1, 1990, and July 2, 1990, between ProGas and ProGas Limited. This natural gas may be imported at the interconnect of TransCanada PipeLines Ltd. and Iroquois Gas Transmission System near the international border at Waddington, New York.

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 and paid to ProGas Limited. The monthly price information shall itemize separately the monthly demand and commodity charges, fuel charges, and, if applicable, reservation fees. ProGas, shall provide to the extent possible, a breakdown of the import volumes showing the amount sold in each State and to each of its customers.

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1998, and should cover the period from November 1, 1997, through the end of the fourth calendar quarter, December 31, 1997.

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

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