

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PROGAS U.S.A., INC.

FE DOCKET NO. 97-87-NG

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

DOE/FE ORDER NO. 1329

NOVEMBER 6, 1997

I. DESCRIPTION OF REQUEST

On October 20, 1997, 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 long-term authorization to import from Canada up to 26,500 Mcf per day of natural gas, plus gas required for transportation, from November 1, 1998, to October 31, 2008. 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 an 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. The imported gas will become part of the applicant's supplies for sale to markets off the pipeline system of Great Lakes Gas Transmission Limited Partnership (GLGT). ProGas states that the imported natural gas will enter the United States at the interconnection of TransCanada PipeLines Ltd. and GLGT at Noyes, Minnesota. The price of natural gas sold off GLGT will be a market-based price negotiated at the time of the sale.

C. FINDING

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

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 26,500 Mcf per day of natural gas, plus gas required for transportation, beginning November 1, 1998, through October 31, 2008, under the terms and conditions of the gas sales agreement 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 Great Lakes Gas Transmission Limited Partnership 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, and, if applicable, reservation fees. ProGas shall provide, to the extent possible, a breakdown of the import volumes by delivery point and show the amount sold in each State and to each of its customers.

C. Quarterly reports shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1999, and should cover the period from November 1, 1998, through the end of the fourth calendar quarter, December 30, 1998.

Issued in Washington, D.C., on November 6, 1997.

Wayne E. Peters
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.