

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

)
PROGAS U.S.A., INC.)
_____)

FE DOCKET NO. 96-65-NG

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

DOE/FE ORDER NO. 1206-A

I. DESCRIPTION OF REQUEST

On April 4, 1999, 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 natural gas import authorization granted in DOE/FE Order No. 1206 (Order 1206).^{2/}

ProGas U.S.A. has acquired an additional 12,963 Mcf per day in transportation capacity on the Iroquois Gas Transmission System (Iroquois) and requests from DOE an equivalent increase to the maximum daily quantities of natural gas it is authorized to import under Order 1206. ProGas U.S.A., a Delaware corporation with its principal place of business in Calgary, Alberta, Canada, is beneficially owned by ProGas Limited, a private Canadian corporation. ProGas U.S.A. purchases

^{1/} 15 U.S.C. § 717b.

^{2/} 1 FE ¶ 71,311 (October 16, 1996).

natural gas primarily from ProGas Limited and resells the supplies directly to end-users and others throughout the United States.

Order 1206 authorizes ProGas U.S.A. to import up to 16,402 Mcf per day of natural gas, plus gas for transportation, through October 31, 2007. ProGas U.S.A. purchases the gas from ProGas Limited under a netback arrangement and sells it to customers at market-based prices negotiated at the time of the sale. TransCanada PipeLines Ltd. transports the gas in Canada to its interconnection with Iroquois at Waddington, New York, and Iroquois delivers it at points along its system.

ProGas U.S.A. would like to increase the import ceiling under Order 1206 by 12,963 Mcf per day, plus gas for transportation for the period June 1, 1999, through October 31, 2006. From November 1, 2006, through October 31, 2007, ProGas U.S.A. would import 16,402 Mcf per day of natural gas, plus gas for transportation, consistent with Order 1206.

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 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 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 DOE/FE Order No. 1206 (Order 1206) is amended to increase the volumes of Canadian natural gas ProGas U.S.A., Inc.(ProGas U.S.A.), is authorized to import from 16,402 Mcf per day to up to 29,365 Mcf per day, plus gas required for transportation, for the period June 1, 1999, through October 31, 2006. From November 1, 2006, through October 31, 2007, ProGas U.S.A.'s import level for natural gas will revert back to 16,402 Mcf per day, plus gas for transportation, consistent with Order 1206. All terms and conditions in Order 1206 remain in full force and effect.

Issued in Washington, D.C., on April 20, 1999.

John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy