

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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RDO FOODS CO. )  
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FE DOCKET NO. 00-10-NG

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

DOE/FE ORDER NO. 1573

MARCH 08, 2000

## I. DESCRIPTION OF REQUEST

On February 18, 2000, 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),<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, as agent for the RDO Foods Co. (RDO), requesting authorization for RDO to import natural gas from Canada. RDO will import up to 1,423 Mcf per day of natural gas, plus gas for fuel, shrinkage and line loss, from April 1, 2000, through October 31, 2008. RDO is incorporated under the laws of the State of North Dakota with its principal place of business in Grand Forks. RDO is the owner and operator of a food processing plant in North Dakota, and will be the importer of record and ultimately responsible for the import of this gas. ProGas, as agent for RDO, is responsible for the procurement and administration of the requested import authorization, including filing all reports required by the DOE authorization. ProGas, a Delaware corporation with its principal place of business in Calgary, Alberta, Canada, is beneficially owned by ProGas Limited, a private Canadian corporation. ProGas primarily purchases natural gas from ProGas Limited and resells the supplies directly to end-users and others throughout the United States.

RDO will import gas purchased from ProGas Limited under a sales agreement dated October 22, 1996.<sup>2/</sup> RDO will take delivery of the gas from ProGas Limited at the Empress, Alberta, interconnection between the pipeline facilities of Nova Corporation of Alberta (NOVA) and TransCanada PipeLines Limited (TCPL). TCPL will then transport the gas to the

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> ProGas is currently using its blanket import authority to acquire gas from ProGas Limited for RDO.

international border near Noyes, Minnesota, where Viking Gas Transmission Company will transport the gas to its food processing plant in Grand Forks, North Dakota. No new pipeline facilities would be constructed. The gas sales contract between RDO and ProGas Limited provides that RDO will pay a price that will be adjusted monthly based on an index quoted in Canadian Enerdata Ltd.'s *Canadian Gas Price Reporter* under the category "Alberta Spot Price" plus a fixed premium per MMBtu on the volumes taken.<sup>3/</sup>

## II. FINDING

The application filed by ProGas, on behalf of RDO 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 RDO 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.

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<sup>3/</sup> The Empress index may be replaced with another index with the premium remaining and if an AECO index (means the Alberta Sport Price) or NIT index (means NOVA Inventory Transfer index) for the relevant month is used, then a NOVA delivery charge will be added to the price.

ORDER

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

A. RDO Foods Co. (RDO) is authorized to import up to 1,423 Mcf per day of natural gas from Canada beginning April 1, 2000, through October 31, 2008. This gas will be imported at Noyes, Minnesota, consistent with the terms and conditions of the gas sales agreement between RDO and ProGas Limited dated October 22, 1996.

B. With respect to the natural gas imports authorized by this Order, ProGas U.S.A. Inc. (ProGas), as agent for RDO, will file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made by RDO. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas 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 (in U.S. dollars) delivered at the international border. [OMB No.: 1901-0294]

C. The reports described in Ordering Paragraph B of this Order will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, 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 July 30, 2000, and should cover the period from April 1, 2000, until the end of the second calendar quarter, June 30, 2000.

Issued in Washington, D.C., on March 08, 2000.

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