

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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HOWARD ENERGY CO., INC.

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FE DOCKET NO. 92-147-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA

DOE/FE ORDER NO. 742

NOVEMBER 30, 1992

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I. DESCRIPTION OF REQUEST \_\_\_\_\_

On November 19, 1992, Howard Energy Co., Inc. (HEC) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA), requesting blanket authorization to import up to 36 Bcf of natural gas from Canada and export up to 36 Bcf of natural gas to Canada over a two-year term beginning on the date of first delivery. HEC, a Delaware corporation with its headquarters in Traverse City, Michigan, is a subsidiary of Howard Publications, Inc., a Delaware corporation with headquarters in Oceanside, California. HEC is affiliated with H & H Star Energy, Inc., which is an oil and gas exploration and production company. HEC's primary business is marketing natural gas to customers located mainly in Michigan, Wisconsin, Illinois, and eastern Canada. HEC markets gas for its own account and as an agent for others.

II. FINDING \_\_\_\_\_

The application filed by HEC has been evaluated to determine if the proposed import/export arrangement meets the public interest requirements 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), an import or export of natural gas from or to 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 HEC to import and export natural gas from and to Canada, a nation

with which a free trade agreement is in effect, meets the section 3(c) criterion and is therefore consistent with the public interest.

ORDER

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For reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. Howard Energy Co., Inc. (HEC), is authorized to import up to 36 Bcf of natural gas from Canada and export up to 36 Bcf of natural gas to Canada over a two-year term beginning on the date of first delivery.

B. This natural gas may be imported and exported at any point on the U.S./Canada border.

C. Within two weeks after deliveries begin, HEC shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import or export of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas imports and exports authorized by this Order, HEC shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, HEC must report monthly total volumes in Mcf and the average purchase or sales

price per MMBtu at the international border. The reports shall also provide the details of each import/export transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry or exit; (6) the geographic market(s) served; (7) whether the sales are being made on an interruptible or firm basis; and if applicable, (8) the contract pricing provisions, including the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Paragraph D of this Order is due not later than January 30, 1993, and should cover the period from the date of this order until the end of the calendar quarter, December 31, 1992.

Issued in Washington, D.C., on November 30, 1992.

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Charles F. Vacek  
Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy