

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

HESS ENERGY SERVICES COMPANY, LLC

FE DOCKET NO. 98-68-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS
TO CANADA

DOE/FE ORDER NO. 1416

SEPTEMBER 24, 1998

I. DESCRIPTION OF REQUEST

On September 22, 1998, Hess Energy Services Company, LLC (Hess) filed an application with the Office of Fossil Energy 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, for blanket authorization to export up to 60 Billion cubic feet of natural gas to Canada. The authorization would be for a two-year term beginning on the date of first delivery. Hess, a Delaware limited liability company with its principal place of business in Houston, Texas, is engaged in the marketing of natural gas. Hess plans to export the natural gas under short-term and spot market arrangements on its own behalf or on behalf of others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Hess has been evaluated to determine if the proposed export 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 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 Hess to export natural gas to 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. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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

- A. Hess Energy Services Company, LLC (Hess) is authorized to export up to 60 Billion cubic feet of natural gas to Canada over a two-year term beginning on the date of first delivery.
- B. This natural gas may be exported at any point on the border between the United States and Canada.
- C. Within two weeks after deliveries begin, Hess shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities of the date that the first export of natural gas authorized in Paragraph A above occurred.
- D. With respect to the natural gas exports authorized by this Order, Hess shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Hess must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the U. S. transporter(s); and (7) the point(s) of exit.
- E. The notification and quarterly reports required by Ordering Paragraphs C and D of this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.
- F. The first quarterly report required by Ordering Paragraph D of this Order is due not later than October 30, 1998, and should cover the period from the date of this Order, until the end of the third calendar quarter, September 30, 1998.

Issued in Washington, D.C., on September 24, 1998.

Clifford P. Tomaszewski

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum Import and Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.