

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

**HESS ENERGY SERVICES
COMPANY, LLC**

FE DOCKET NO. 00-76-NG

**ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO CANADA**

DOE/FE ORDER NO. 1648

NOVEMBER 16, 2000

I. DESCRIPTION OF REQUEST

On October 24, 2000, 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 204-127, for a two-year blanket authorization to export up to 60 billion cubic feet (Bcf) of natural gas to Canada beginning on December 22, 2000, and extending through December 21, 2002.^{2/} The firm is a Delaware limited liability company with its principal place of business in Houston, Texas. Hess, a marketing company, will export the gas under short-term and spot-market sales arrangements, either on its own behalf or as the agent for 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 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 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. This blanket order authorizes transactions under contracts with terms of no longer than two years.

^{1/} 15 U.S.C. § 717b.

^{2/} Hess is currently authorized to export up to 60 Bcf of natural gas to Canada under DOE/FE Order No. 1416, issued September 24, 1998 (2 FE ¶ 70,232). Initial deliveries began December 22, 1998, and the exports are approved through December 21, 2000.

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 Bcf of natural gas from Canada beginning on December 22, 2000, and extending through December 21, 2002. This natural gas may be exported at any point on the border of the United States and Canada.

B. With respect to the natural gas exports authorized by this Order, Hess shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no 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 monthly total volumes in Mcf and the average sales price per MMBtu at the international border. The reports shall also provide the details of each 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 exit; (6) the geographic market(s) served; and (7) whether the sales are being made on an interruptible or firm basis. [OMB No.: 1901-0294]

C. The reports required by Ordering Paragraph B of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, 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, 2001, and should cover the period from December 22, 2000, until the end of the fourth calendar quarter, December 31, 2000.

Issued in Washington, D.C., on November 16, 2000.

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