

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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**H.Q. ENERGY SERVICES (U.S.) INC.**

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**FE DOCKET NO. 01-13-NG**

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

**DOE/FE ORDER NO. 1675**

**APRIL 12, 2001**

## I. DESCRIPTION OF REQUEST

On April 6, 2001, H.Q. Energy Services (U.S.) Inc. (HQUS) filed an application with the Office of Fossil Energy 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, for blanket authority to import a total of up to 200 Bcf of natural gas from Canada and Mexico and to export a total of up to 200 Bcf of natural gas to Canada and Mexico. The authorization would be for two years beginning May 1, 2001, and extending through April 30, 2003.<sup>2/</sup> HQUS, a Delaware corporation with its principal place of business in Montpelier, Vermont, is a marketer of electricity and natural gas. It is a wholly owned indirect subsidiary of Hydro-Québec. The natural gas will be imported and exported under short-term and spot market arrangements on HQUS' 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 HQUS has been evaluated to determine if the proposed import and 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 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

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> HQUS presently has authority under DOE/FE Order No. 1380 to import up to 100 Bcf of natural gas each from Canada and Mexico and to export up to 100 Bcf each to Canada and Mexico over a two-year period which expires April 30, 2001 (1 FE ¶ 71,556, May, 6, 1998).

the public interest and must be granted without modification or delay. The authorization sought by HQUS to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are 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. H.Q. Energy Services (U.S.) Inc. (HQUS) is authorized to import up to a total of 200 Bcf of natural gas from Canada and Mexico and to export a total of up to 200 Bcf of natural gas to Canada and Mexico. The term of the authority is for two years beginning on May 1, 2001, and extending through April 30, 2003.

B. This natural gas may be imported and exported at any point on the borders between the United States and Canada and between the United States and Mexico.

C. With respect to the natural gas imports and exports authorized by this Order, HQUS will file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, HQUS will 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);

(7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State).

For import transactions only, the report will also include the following additional information:

(1) whether sales are being made on an interruptible or firm basis; and (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The reports required by Ordering Paragraph C of this Order will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, SW., Washington, D.C. 20585.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 2001, and should cover the period from May 1, 2001, until the end of the second calendar quarter, June 30, 2001.

Issued in Washington, D.C., on April 12, 2001.

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