

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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DOE/OFE/NGR

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H.Q. ENERGY SERVICES (U.S.) INC. )  
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FE DOCKET NO. 06-127-NG

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

DOE/FE ORDER NO. 2316

DECEMBER 21, 2006

## I. DESCRIPTION OF REQUEST

On November 3, 2006, 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> for blanket authorization to import up to 200 billion cubic feet (Bcf) of natural gas from Canada and Mexico, and to export up to 200 billion cubic feet (Bcf) of natural gas to Canada and Mexico. The applicant requests the authorization be granted for a two-year term beginning on May 1, 2007.<sup>2</sup> HQUS is a Delaware corporation with its principal place of business in Coraopolis, Pennsylvania.

## II. FINDING

The application 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), of the NGA, the import and export of natural gas from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG are deemed to be consistent with 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 a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

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<sup>1</sup> 15 U.S.C. § 71 7b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00.002.04B (September 23, 2005).

<sup>2</sup> HQUS's blanket authorization granted in DOE/FE Order No. 2080 on March 17, 2005, extends through April 30, 2007 (2 FE ¶ 71,100).

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 200 billion cubic feet (Bcf) of natural gas from Canada and Mexico, and to export up to 200 Bcf of natural gas to Canada and Mexico pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on May 1, 2007, and extending through April 30, 2009.

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. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, HQUS shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether imports or exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports have been made, a report of "no activity" for that month must be filed. If imports or exports of natural gas have occurred, the report must give the following details: (1) for imports, country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; and (4) the total volume at each import or export point in thousand cubic feet (Mcf) for the month. [OMB No. 1901-0294]

D. The first monthly report required by this Order is due not later than June 30, 2007, and should cover the reporting period from May 1, 2007 through May 31, 2007.

E. **Quarterly Reports:** With respect to the natural gas imports and exports authorized by this Order, HQUS shall file with the Office of Natural Gas Regulatory Activities, within 30

days following the last day of each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports of natural gas have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in Mcf; (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the supplier(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the supply agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry or exit; and (8) for imports, the geographic market(s) served, by State.[OMB No. 1901-0294]

F. The first quarterly report required by this Order is due not later than July 31, 2007, and should cover the period from May 1, 2007, through the end of the second calendar quarter, June 30, 2007.

G. Both the monthly and quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

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