

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

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

DOCKET NO. 05-16-NG

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

DOE/FE ORDER NO. 2080

MARCH 17, 2005

I. DESCRIPTION OF REQUEST

On March 15, 2005, 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),^{1/} 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 Bcf of natural gas to Canada and Mexico. The applicant requests the authorization be granted for a two-year term beginning on May 1, 2005. HQUS is a Delaware corporation with its principal place of business in Corapolis, 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), the import and export of natural gas from and to nations with which there are in effect free trade agreements requiring national treatment for trade in natural gas 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 free trade agreements are 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.

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelelegation Order No. 00-002.04 (January 8, 2002).

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. The term of the authority will begin on May 1, 2005, and extend through April 30, 2007.

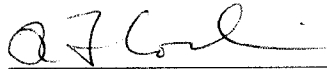
B. This natural gas may be imported and exported at any point on the borders between the United States and Canada, and between the United States and Mexico.

C. With respect to the natural gas imports and exports authorized by this Order, HQUS shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports and/or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If imports and/or exports of natural gas have not been made, a report of "no activity" for that calendar quarter must be filed. If imports and/or exports of natural gas have occurred, the report must give the details of each transaction, including: (1) the country of origin; (2) the total monthly volumes in thousand cubic feet (Mcf); (3) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (4) the name of the seller(s); (5) the name of the purchaser(s); (6) the estimated or actual duration of the agreement(s); (7) the name of the United States transporter(s); (8) the point(s) of entry and exit; and (9) the geographic market(s) served (for imports by State). [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than July 30, 2005, and should cover the period from May 1, 2005, until the end of the second calendar quarter, June 30, 2005.

E. The 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.

Issued in Washington, D.C., on March 17, 2005.



R. F. Corbin

Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy