

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. 08-151-NG  
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ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS  
FROM AND TO CANADA AND MEXICO

DOE/FE ORDER NO. 2605

JANUARY 9, 2009

## I. DESCRIPTION OF REQUEST

On December 23, 2008, H.Q. Energy Services (U.S.) Inc. (H.Q. Energy) filed an application with the Office of Fossil Energy (FE) 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 Bcf of natural gas to Canada and Mexico. The applicant requests the authorization be granted for a two-year term beginning on May 1, 2009.<sup>2</sup> H.Q. Energy 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), the import and export of natural gas, including liquefied natural gas (LNG), 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 from other international sources are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by H.Q. Energy 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.

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<sup>1</sup>/ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for FE pursuant to Redefinition Order No. 00.002.04D (November 6, 2007).

<sup>2</sup>/ H.Q. Energy was granted blanket authorization to import and export natural gas from and to Canada and Mexico, by DOE/FE Order No. 2316 on December 21, 2006, which extends through April 30, 2009 (2 FE ¶ 71,405).

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. H.Q. Energy is authorized to import up to 200 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, 2009, and extending through April 30, 2011.

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, H.Q. Energy 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 no imports and/or exports have been made, a report of “no activity” for that month must be filed. If imports and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic markets(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)). [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than June 30, 2009, and should cover the reporting period from May 1, 2009 through May 31, 2009.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375 Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at [Yvonne.caudillo@hq.doe.gov](mailto:Yvonne.caudillo@hq.doe.gov) or [ngreports@hq.doe.gov](mailto:ngreports@hq.doe.gov), or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on January 9, 2009.



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R. F. Corbin  
Manager, Natural Gas Regulatory Activities  
Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy