

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

HOWARD ENERGY MARKETING, L.L.C.) FE DOCKET NO. 99-46-NG
(Formerly Howard Energy Marketing, Inc.)

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

DOE/FE ORDER NO. 1496

JUNE 18, 1999

I. DESCRIPTION OF REQUEST

On June 18, 1999, Howard Energy Marketing, L.L.C. (HEM) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act^{1/} (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 18 billion cubic feet (Bcf) of natural gas per year from Canada and to export up to 18 Bcf of natural gas per year to Canada over a two-year term beginning on July 1, 1999, and extending through June 30, 2001.^{2/} HEM, a Delaware corporation with its principal place of business in Traverse City, Michigan, is a subsidiary of HEM Energy Co., Inc., and an affiliate of H & H Star Energy, Inc., an oil and gas exploration and production company. HEM will import and export the natural gas under spot and short-term purchase arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by HEM has been evaluated to determine if the proposed import/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 the public interest and must be granted without modification or delay. The authorization sought by

^{1/} 15 U.S.C. § 717b.

^{2/} June 30, 1999, is the expiration date of HEM's import/export authorization granted by DOE/FE Order No. 1283 on June 27, 1997 (1 FE ¶ 71,420).

HEM to import and export natural gas from and to 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.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Howard Energy Marketing, L.L.C. (HEM) is authorized to import up to 36 billion cubic feet (Bcf) of natural gas from Canada and export up to 36 Bcf of natural gas to Canada over a two-year term beginning on July 1, 1999, and extending through June 30, 2001. This natural gas may be imported and exported at any United States/Canada border point.

B. With respect to the natural gas imports and exports authorized by this Order, HEM shall 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. Quarterly reports must be filed whether or not initial deliveries have begun. 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, HEM must 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 United States 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 shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than October 30, 1999, and should cover the period from July 1, 1999, until the end of the third calendar quarter, September 30, 1999.

D. The quarterly 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, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.

Issued in Washington, D.C., on June 18, 1999.

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