

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

ALUMINUM COMPANY OF AMERICA

FE DOCKET NO. 98-28-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1376

APRIL 21, 1998

I. DESCRIPTION OF REQUEST

On April 13, 1998, Aluminum Company of America (ALCOA) filed an application, as amended April 17, 1998, with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),⁽¹⁾ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import a total of up to 12.2 Bcf of natural gas from Canada over a two-year term from May 1, 1998, through April 30, 2000.⁽²⁾ ALCOA is a Pennsylvania corporation with its principal place of business in Pittsburgh, Pennsylvania. This natural gas will be imported at the interconnection of the pipeline systems of TransCanada Pipe Lines, Ltd. and St. Lawrence Gas Company near Cornwall, Ontario/Massena, New York, and through the interconnecting facilities of Foothills Pipe Lines, Ltd. and Northern Border Pipeline near Monchy, Saskatchewan/Port of Morgan, Montana, under short-term and spot market arrangements. The gas will be used for processing purposes and space heating in ALCOA's Massena, New York, Davenport, Iowa, and Warrick, Indiana, aluminum smelting and manufacturing plants. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by ALCOA has been evaluated to determine if the proposed import 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 of natural gas from 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 ALCOA to import natural gas from 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. Aluminum Company of America (ALCOA) is authorized to import up to 12.2 Bcf of natural gas from Canada over a two-year term from May 1, 1998, through April 30, 2000. This natural gas may be imported at the international border near Cornwall, Ontario/Massena, New York, and at Monchy, Saskatchewan/Port of Morgan, Montana.

B. With respect to the natural gas imports authorized by this Order, ALCOA shall file, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, ALCOA must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the estimated or actual duration of the agreement(s); (3) the name of the United States transporter(s); (4) the point(s) of entry; (5) the geographic market(s) served (by state); (6) whether sales are being made on an interruptible or firm basis; and, if applicable, (7) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

C. The reports described in Ordering Paragraph B of this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 1998, and should cover the period from May 1, 1998, until the end of the second calendar quarter, June 30, 1998.

Issued in Washington, D.C., on April 21, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 15 U.S.C. § 717b.

2. April 30, 1998, is the expiration date of ALCOA's previous blanket authorization to import natural gas from Canada, granted in DOE/FE Order No. 671 on September 23, 1992 (1 FE ¶ 70,638).