

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

INTALCO ALUMINUM CORPORATION

FE DOCKET NO. 98-69-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM CANADA

DOE/FE ORDER NO. 1417

SEPTEMBER 29, 1998

I. DESCRIPTION OF REQUEST

On September 25, 1998, Intalco Aluminum Corporation (Intalco) 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⁾ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 2 billion cubic feet (Bcf) of natural gas from Canada over a two-year term beginning on September 29, 1998.⁽²⁾ Intalco, a Delaware corporation with its principal place of business in Ferndale, Washington, is a wholly-owned subsidiary of Alumax, Inc., which is a wholly-owned subsidiary of Aluminum Company of America. The natural gas will be imported under spot and short-term arrangements from several Canadian producers and marketers based on specific needs for Intalco's aluminum smelting plant. The gas would be transported to the smelting plant on the Ferndale Pipeline System from its interconnection with the facilities of Westcoast Energy, Inc. at Sumas, Washington. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Intalco 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 Intalco 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. Intalco Aluminum Corporation (Intalco) is authorized to import up to 2 Bcf of natural gas from Canada over a two-year term beginning on September 29, 1998, through September 28, 2000.

B. This natural gas will be imported at Sumas, Washington, to be consumed at Intalco's aluminum smelting plant near Ferndale, Washington.

C. With respect to the natural gas imports authorized by this Order, Intalco shall file with Office of Natural Gas & Petroleum Import and Export Activities, 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, Intalco 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 name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The quarter reports required by Ordering Paragraph C 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.

E. The first quarterly report required by Ordering Paragraph B of this Order is due not later than October 30, 1998, and should cover the period from September 29, 1998, until the end of the third calendar quarter, September 30, 1998.

Issued in Washington, D.C., on September 29, 1998.

Clifford P. Tomaszewski

Manager, Natural Gas Regulation

Office of natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 15 U.S.C. § 717b.

2. Intalco currently holds blanket authority to import natural gas from Canada, granted in DOE/FE Order No. 1199 on September 16, 1996, (1 FE ¶ 71,301) which expires on September 29, 1998.