

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
INTALCO ALUMINUM CORPORATION) FE DOCKET NO. 95-02-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1018

JANUARY 6, 1995

I. DESCRIPTION OF REQUEST

On January 4, 1995, 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, requesting extension of a two-year blanket authorization to import Canadian natural gas which ended September 28, 1994. By DOE/FE Opinion and Order No. 675 (Order 675), issued September 28, 1992, Intalco was authorized to import up to 2 Bcf of gas to be consumed at its aluminum smelting plant near Ferndale, Washington.^{2/} The smelting plant's sole source of gas supply is from Canada. Intalco requests that the new import authority be retroactively approved to commence September 29, 1994, and continue through September 28, 1996.

Intalco, a Delaware corporation with its principal place of business in Ferndale, Washington, is a wholly-owned subsidiary of Alumax Inc. Intalco applied for its previous authorization to be renewed beginning September 29, 1994, because it mistakenly continued importing gas from Canada after Order 675 expired. The volumes in these transactions have been reported to DOE. Intalco asserts that, under the blanket authority requested, it would purchase a total of up to 2 Bcf of gas from several Canadian producers and marketers under spot and short-term arrangements. The volume of gas imported would be based on the specific needs

1/ 15 U.S.C. 717b.

—

2/ 1 FE 70,642. —

of Intalco's smelting plant. This gas would be transported to the smelting plant on the Ferndale Pipeline System from its interconnection with the facilities of Westcoast Energy Inc. at the border of the United States and Canada near Sumas, Washington. The Ferndale Pipeline System is jointly owned and operated by Intalco and Atlantic Richfield Company.

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), an 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. The unique circumstances of this case are sufficient to justify granting the authorization retroactively. 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 from Canada near Sumas, Washington, up to 2 Bcf of natural gas to be consumed at its aluminum smelting plant near Ferndale, Washington. This authorization is effective from September 29, 1994, through September 28, 1996.

B. With respect to the natural gas imports authorized by this Order, Intalco shall file with the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Intalco must report monthly total volumes in Mcf and the average purchase price of the 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; (3) the estimated or actual duration of the agreement(s); (4) the point of entry; (5) the name of the United States transporter; (6) the geographic market served; (7) whether the purchases 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.

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1995, and should cover the period from October 1, 1994, until the end of the fourth calendar quarter, December 31, 1994.

Issued in Washington, D.C., on January 6, 1995.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy