

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

MORGAN STANLEY CAPITAL GROUP INC.

)
)
)
FE DOCKET NO. 10-19-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS FROM
VARIOUS INTERNATIONAL SOURCES

DOE/FE ORDER NO. 2761

MARCH 8, 2010

I. DESCRIPTION OF REQUEST

On February 16, 2010, Morgan Stanley Capital Group Inc. (MSCGI) 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)¹ for blanket authorization to import liquefied natural gas (LNG) up to the equivalent of 545 billion cubic feet (Bcf) of natural gas from various international sources. The applicant requests authorization for a two-year term beginning on April 25, 2010.² MSCGI is a Delaware corporation with its principal place of business in Purchase, New York.

II. FINDING

The application 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 and export of natural gas, including 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 MSCGI to import LNG from various international sources meets the section 3(c) criteria and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

¹/ 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).

²/ MSCGI's blanket authorization to import LNG from various international sources granted in DOE/FE Order No. 2471 on February 26, 2008, extends through April 24, 2010 (2 FE ¶ 71,592).

ORDER

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

A. MSCGI is authorized to import LNG, up to the equivalent of 545 Bcf of natural gas from various international sources, pursuant to transactions that have terms of no longer than two years. The authorization shall be effective for a two-year term beginning on April 25, 2010, and extending through April 24, 2012.

B. This LNG may be imported at any LNG receiving facility in the United States and its territories.

C. LNG imports that require increased security measures from the United States Coast Guard (USCG) and/or other branches of the Department of Homeland Security in place now or added in the future shall comply with those measures on a shipment by shipment basis to the satisfaction of the USCG. Such measures may include periodic boarding or examination of the vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.

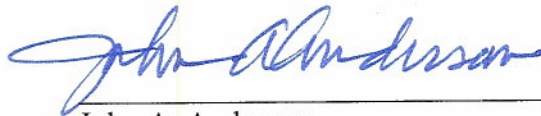
D. **Monthly Reports:** With respect to the LNG imports authorized by this Order, MSCGI shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether imports of LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports have not occurred, a report of “no activity” for that month must be filed. If imports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving terminal; (2) the name of the LNG tanker; (3) the date of arrival at the U.S. receiving terminal; (4) the country of origin; (5) the name of the supplier/seller; (6) the volume in Mcf; (7) the landed price per MMBtu at the point of import;

(8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)). [OMB No. 1901-0294]

E. The first monthly report required by this Order is due not later than May 30, 2010, and should cover the reporting period from April 25, 2010, through April 30, 2010.

F. 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 or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on March 8, 2010.



John A. Anderson
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy