

Our reference: HUTA1/SPEJ1/23301.50002/26122249 v1

**Watson, Farley & Williams LLP**

15 Appold Street  
London EC2A 2HB

Tel +44 (0)20 7814 8000

Fax +44 (0)20 7814 8141/2

Direct +44 (0)20 7814 8000

Email ahutcheon@wfw.com / jspencer

CDE box 530

**To All Interested Parties**

3 July 2007

Dear Sirs

**Re. The Queen on the application of Excelerate Energy Limited Partnership and Seal Sands Gas Transportation Limited -v- Gas and Electricity Markets Authority**

On 29 June 2007, Excelerate Energy Limited Partnership and Seal Sands Gas Transportation Limited (together "Excelerate") issued High Court proceedings in London seeking permission for judicial review of the following:

1. The Gas and Electricity Markets Authority's ("GEMA's") decision dated 30 March 2007 to reduce amend NGG's NTS Licence to reduce baseline entry capacity at Teesside from 761 GWh/day to 361 GWh/day;
2. GEMA's 12 June 2007 rejection of proposed modification 151A to the Uniform Network Code ("UNC");
3. GEMA's ongoing failure to ensure the introduction of a baseline capacity transfer mechanism;
4. GEMA's ongoing failure to ensure revisions to the interruptibility regime in the UNC to satisfy the requirements of the Teesside GasPort; and
5. GEMA's ongoing failure to ensure that the energy arrangements for the NTS enable the GasPort to operate as planned

Excelerate is seeking the following remedies from the Court:

1. An order quashing the decision of 30 March 2007 reducing the baseline entry capacity for Teesside.
2. An order quashing the refusal of proposed modification of 151A.
3. A mandatory order requiring GEMA to introduce a capacity transfer mechanism forthwith.
4. A mandatory order requiring GEMA to take steps to ensure that NGG complies with its undertaking given on 4 May 2007 to propose a modification to the UNC to revise the interruptibility regime so as to satisfy the requirements of the Teesside GasPort and requiring GEMA to ensure that such revisions are introduced into the UNC.

London • Athens • Paris • New York • Singapore • Bangkok • Rome • Hamburg

Watson, Farley & Williams LLP is a limited liability partnership registered in England and Wales with registered number OC312252. It is regulated by the Law Society of England and Wales and its members are solicitors or registered foreign lawyers. A list of members of Watson, Farley & Williams LLP and their professional qualifications is open to inspection at the above address. Any reference to a 'partner' means a member of Watson, Farley & Williams LLP, or a member or partner in an affiliated undertaking, or an employee or consultant with equivalent standing and qualification.

Watson, Farley & Williams LLP or an affiliated undertaking has an office in each of the cities listed above.

5. A mandatory order requiring GEMA to consider what modifications are required to the NTS entry arrangements (including amendments of the Teesside baseline entry capacity level) so as to enable the Teesside GasPort to operate as planned, and to take steps to ensure that such modifications are introduced.
6. Remittal of (1) and (2) for reconsideration.
7. Costs

Copies of Excelerate's claim form and statement of grounds in support can be found on the Joint Office of Gas Transporters' website ([www.gasgovernance.com](http://www.gasgovernance.com)). Interested Parties to these proceedings who are directly affected by Excelerate's claim are invited to contact Excelerate's solicitors, Watson, Farley & Williams LLP to request copies of supporting documentation filed by Excelerate in support of its permission for judicial review.

**Watson Farley & Williams LLP**

15 Appold Street

London

EC2A 2HB


(Ref: Andrew Hutcheon / James Spencer)

Tel: 0207 814 8000

Fax: 0207 814 8141/2

e-mail: [ahutcheon@wfw.com](mailto:ahutcheon@wfw.com) & [jspencer@wfw.com](mailto:jspencer@wfw.com)

Yours faithfully



**Watson, Farley & Williams LLP**