

ANNOUNCEMENT

OF COORDINATED MONTHLY AUCTION CAPACITIES AT THE COMMON BORDERS OF

CEPS, a.s., PSE – Operator S.A. and Vattenfall Europe Transmission GmbH

for May 2005

CEPS, a.s. (CEPS), in its function as Auction Office for the coordinated auction of capacities at the common borders of CEPS, PSE – Operator S.A. (PSE-O) and Vattenfall Europe Transmission GmbH (VE-T) informs, that cross-border transmission capacities at the common borders of CEPS, PSE – O and VE-T offered in monthly *Auction* for the *Reservation Period 1st May 2005 – 31st May 2005* are as follows at specified technical profiles:

- PSE-O – (VE-T+CEPS+SEPS) in 120 MW out 320 MW*
- VE-T – (PSE-O+CEPS) in 150 MW out 718 MW
- CEPS – PSE-O in 200 MW** out 720 MW
- CEPS – VE-T in 218 MW out 500 MW
- SEPS – PSE-O in 450 MW out 750 MW

*) Value of offered cross-border capacity during *Reservation Subperiod 10th – 15th May 2005* and during *Reservation Subperiod 19th May 2005* for the direction from PSE-O to (VE-T+CEPS+SEPS) will be 220 MW.

If sum of assigned capacities at the technical profile and direction from PSE-O to (VE-T+CEPS+SEPS) is higher than value of offered capacity during *Reservation Subperiod 10th – 15th May 2005* and during *Reservation Subperiod 19th May 2005*, assigned capacities in these Subperiods at this technical profile are curtailed proportionally to the value of offered capacity in the *Reservation Subperiod 10th – 15th May 2005* and during *Reservation Subperiod 19th May 2005*.

***) Value of offered cross-border capacity during *Reservation Subperiod 10th – 14th May 2005* and during *Reservation Subperiod 16th – 17th May 2005* for the direction from PSE-O to CEPS will be 100 MW.

If sum of assigned capacities at the technical profile and direction from PSE-O to CEPS is higher than value of offered capacity during *Reservation Subperiod 10th – 14th May 2005* and during *Reservation Subperiod 16th – 17th May 2005*, assigned capacities in these Subperiods at this technical profile are curtailed proportionally to the value of offered capacity during *Reservation Subperiod 10th – 14th May 2005* and during *Reservation Subperiod 16th – 17th May 2005*.

Specific curtailment procedure

There is a specific curtailment procedure applied during *Reservation Subperiod 10th – 14th May 2005* because of different curtailment at two technical profiles during the same *Reservation Subperiod*:

1. There are calculated coefficients of curtailment on technical profile A_{OUT} and C_{IN} following these definitions:

RC A_{OUT} - coefficient of curtailment on technical profile A_{OUT}

A_{out} - Value of offered cross-border capacity during *Reservation Subperiod* 10th – 14th May 2005

a_{out} - capacity assigned at the technical profile and direction from PSE-O to (VE-T+CEPS+SEPS)

RC C_{IN} - coefficient of curtailment on technical profile C_{IN}

C_{in} - Value of offered cross-border capacity during *Reservation Subperiod* 10th – 14th May 2005

c_{in} - capacity assigned at the technical profile and direction from PSE –O to CEPS

pv - capacity assigned at the commercial profile from PSE-O to VE-T

ps - capacity assigned at the commercial profile from PSE-O to SEPS

$$RC A_{OUT} = A_{out} / a_{out}$$

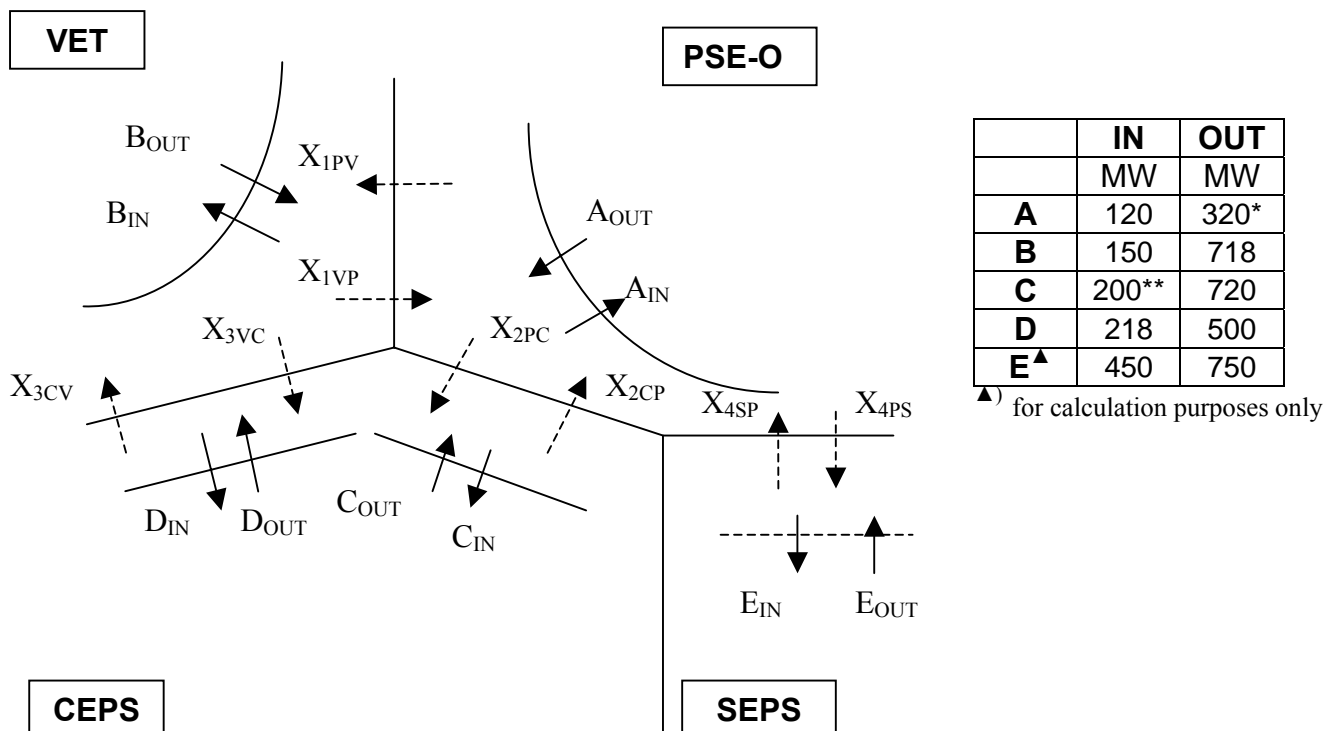
$$RC C_{IN} = C_{in} / c_{in}$$

2. If **RC A_{OUT}** < **RC C_{IN}** , then coefficient **RC A_{OUT}** will be used for the curtailment on technical profile A_{OUT}

3. If **RC A_{OUT}** > **RC C_{IN}** , then **RC C_{IN}** will be used for the curtailment on technical profile C_{IN} and there is calculated another curtailment coefficient [**NRC A_{OUT}**] for the remaining commercial profiles being a part of technical profile A_{out} as follows:

$$[NRC A_{OUT}] = (A_{out} - C_{in}) / (pv + ps)$$

The following graph and table present cross-border transmission capacities at the common borders of CEPS, PSE-O, VE-T offered in monthly auction for the *Reservation Period* 1st May 2005 – 31st May 2005:



The following table presents the Auction Procedure Schedule for monthly Auction for May 2005.

	Publishing of available capacities	Closing date 12:00 (CET)	Publishing of results till 18:00	Issuing of invoice	Maturity date of invoice	Expiration of period for payment
Month	Deadline 1M	Deadline 2M	Deadline 3M	Deadline 4M	Deadline 5M	Deadline 6M
May	05.04.2005	12.04.2005	14.04.2005	15.04.2005	26.04.2005	01.05.2005