

ANNOUNCEMENT

OF COORDINATED MONTHLY AUCTION CAPACITIES AT THE COMMON BORDERS OF

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

for October 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 October 2005 – 31st October 2005* are as follows at specified *Technical Profiles*:

- PSE-O – (VE-T+CEPS+SEPS) A_{in} 120 MW* A_{out} 370 MW*
- VE-T – (PSE-O+CEPS) B_{in} 350 MW B_{out} 718 MW
- CEPS – PSE-O C_{in} 250 MW* C_{out} 720 MW
- CEPS – VE-T D_{in} 218 MW D_{out} 500 MW
- SEPS – PSE-O E_{in} 450 MW E_{out} 750 MW

*) Value of offered cross-border capacity during *Reservation Subperiods* at specified *Technical Profiles* are stated as follows:

<i>Reservation Subperiods</i>	A_{in}	A_{out}	C_{in}
17 th – 19 th October 2005	20 MW		
14 th – 17 th October 2005		30 MW	
22 nd – 23 rd October 2005		30 MW	100 MW

If sum of assigned capacities at the *Technical Profile* and direction from (VE-T+CEPS+SEPS) to PSE-O is higher than value of offered cross-border capacity during *Reservation Subperiod 17th – 19th October 2005*, assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are curtailed proportionally to the value of offered capacity during *Reservation Subperiod 17th – 19th October 2005*. Curtailment shall not be a subject of any compensation.

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 cross-border capacity during *Reservation Subperiod 14th – 17th October 2005*, assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are curtailed proportionally to the value of offered capacity during *Reservation Subperiod 14th – 17th October 2005*. Curtailment shall not be a subject of any compensation.

Specific curtailment procedure

There is a specific curtailment procedure applied during *Reservation Subperiod 22nd – 23rd October 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} for *Reservation Subperiod 22nd – 23rd October 2005* following these definitions:

RC A_{OUT} - coefficient of curtailment on *Technical Profile* A_{out}

A_{out} - Value of offered cross-border capacity during given *Reservation Subperiod*

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 given *Reservation Subperiod*

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

$$RC A_{OUT} = \text{Min} [A_{out} / a_{out} ; 1]$$

$$RC C_{IN} = \text{Min} [C_{in} / c_{in} ; 1]$$

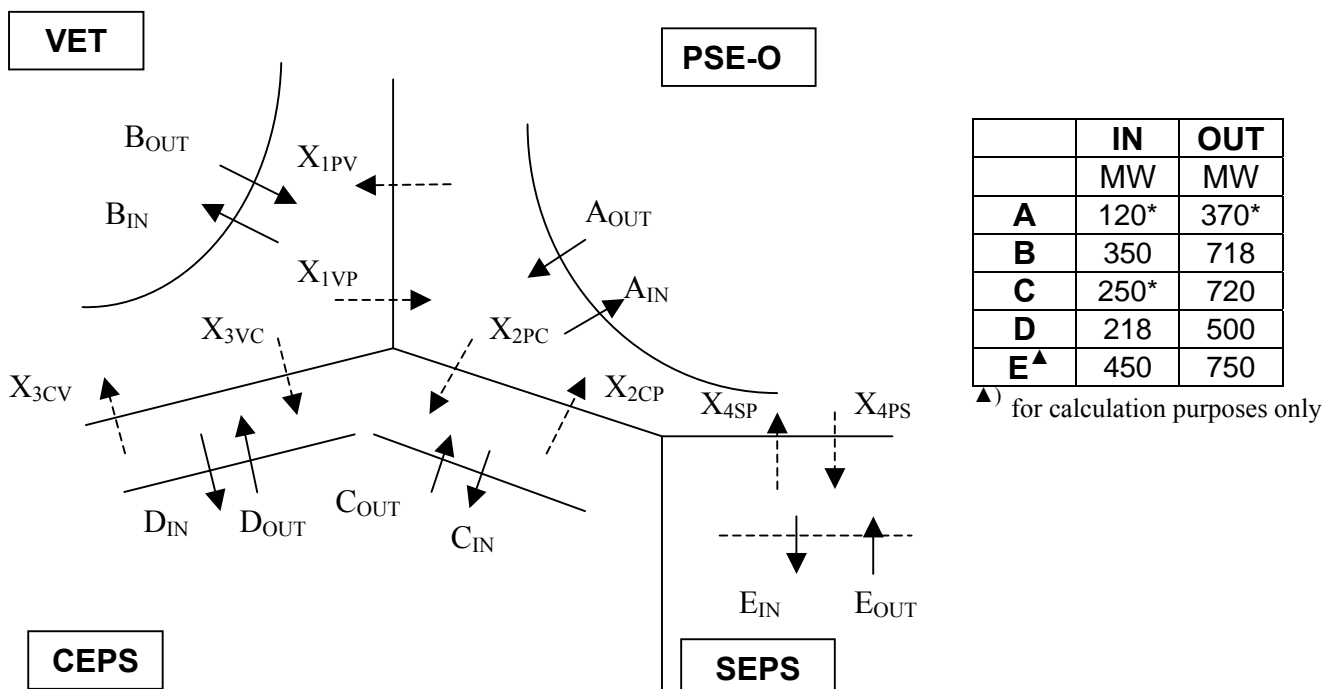
2. If $RC A_{OUT} \leq RC C_{IN}$, then coefficient $RC A_{OUT}$ will be used for the curtailment on *Technical Profile* A_{out}

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:

$$[NRC A_{OUT}] = \text{Min} [(A_{out} - C_{in}) / (pv + ps) ; 1]$$

Curtailment shall not be a subject of any compensation.

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 October 2005 – 31st October 2005*:



The following table presents the Auction Procedure Schedule for monthly *Auction* for October 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
October	06.09.2005	13.09.2005	15.09.2005	16.09.2005	27.09.2005	03.10.2005