

ANNOUNCEMENT

OF COORDINATED MONTHLY AUCTION CAPACITIES AT THE COMMON BORDERS OF

**CEPS, a.s., E.ON Netz GmbH, PSE – Operator S.A., Slovenská elektrizačná
prenosová sústava, a.s. and Vattenfall Europe Transmission GmbH**

for September 2007

CEPS, a.s. (CEPS), in its function as Auction Office for the coordinated auction of capacities at the common borders of CEPS, E.ON Netz GmbH (E.ON), PSE – Operator S.A. (PSE-O), Slovenská elektrizačná prenosová sústava a.s. (SEPS, a.s.) and Vattenfall Europe Transmission GmbH (VE-T), informs, that cross-border transmission capacities at the common borders of CEPS, E.ON, PSE - O, SEPS, a.s. and VE-T offered in monthly *Auction* for the *Reservation Period* of **1st September 2007 – 30th September 2007** are as follows at specified *Technical Profiles*:

Technical Profile	Offered Capacity IN [MW]		Offered Capacity OUT [MW]	
PSE-O - (CEPS + SEPS, a.s. + VE-T)	A _{in}	0	A _{out}	600
VE-T - (CEPS + PSE-O)	B _{in}	153	B _{out}	115
CEPS - PSE-O	C _{in}	600	C _{out}	730
SEPS, a.s. - (CEPS+PSE-O)	E _{in}	425*	E _{out}	695**
E.ON - CEPS	F _{in}	200	F _{out}	105
CEPS - SEPS, a.s.	G _{in}	210***	G _{out}	225 ⁺
SEPS, a.s. - PSE-O	H _{in}	200 ⁺⁺	H _{out}	485

*) Value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007* at the *Technical Profile* and direction from (CEPS + PSE-O) to SEPS, a.s. is **125 MW**. If sum of assigned capacities at the *Technical Profile* and direction from (CEPS + PSE-O) to SEPS, a.s. is higher than value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007*, assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are reduced proportionally to the value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007*. Reduction may not be a subject of any compensation.

) Value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007* at the *Technical Profile* and direction from SEPS, a.s. to (CEPS + PSE-O) is **595 MW. If sum of assigned capacities at the *Technical Profile* and direction from SEPS, a.s. to (CEPS + PSE-O) is higher than value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007*, assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are reduced proportionally to the value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007*. Reduction may not be a subject of any compensation.

***) Value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007* at the *Technical Profile* and direction from SEPS, a.s. to CEPS is **110 MW**. If sum of assigned capacities at the *Technical Profile* and direction from SEPS, a.s. to CEPS is higher than value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007*, assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are reduced proportionally to the value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007*. Reduction may not be a subject of any compensation.

†) Value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007* at the *Technical Profile* and direction from CEPS to SEPS, a.s. is **25 MW**. If sum of assigned capacities at the *Technical Profile* and direction from CEPS to SEPS, a.s. is higher than value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007*, assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are reduced proportionally to the value of cross-border capacity announced for *Reservation Subperiod 3rd - 14th September 2007*. Reduction may not be a subject of any compensation.

††) Value of cross-border capacity announced for *Reservation Subperiod 10th - 14th September 2007* at the *Technical Profile* and direction from PSE-O to SEPS, a.s. is **150 MW**. If sum of assigned capacities at the *Technical Profile* and direction from PSE-O to SEPS, a.s. is higher than value of cross-border capacity announced for *Reservation Subperiod 10th - 14th September 2007*, assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are reduced proportionally to the value of cross-border capacity announced for *Reservation Subperiod 10th - 14th September 2007*. Reduction may not be a subject of any compensation.

Any *Capacity*, which should become *Promised Capacity* to *Auction Participant* after the proportional reduction in *Reservation Subperiod*, is rounded down to entire MWs.

Specific reduction procedure

There is a specific reduction procedure applied during *Reservation Subperiod 3rd - 14th September 2007* because of different reduction at two or more *Technical Profiles* during part of the *Reservation Subperiod*:

A:

1. There are calculated coefficients of reduction on *Technical Profile* E_{out} and G_{in} for *Reservation Subperiod 3rd - 14th September 2007* following these definitions:

RC E_{OUT} - coefficient of reduction on *Technical Profile* E_{out}

E_{out} - Value of cross-border capacity announced for given *Reservation Subperiod*

e_{out} - capacity assigned at the *Technical Profile* and direction from SEPS, a.s. to (CEPS +PSE-O)

RC G_{IN} - coefficient of reduction on *Technical Profile* G_{in}

G_{in} - Value of cross-border capacity announced for given *Reservation Subperiod*

g_{in} - capacity assigned at the *Technical Profile* and direction from SEPS, a.s. to CEPS

sp - capacity assigned at the *Commercial Profile* from SEPS, a.s. to PSE-O

$$RC E_{OUT} = \text{Min} [E_{out} / e_{out}; 1]$$

$$RC G_{IN} = \text{Min} [G_{in} / g_{in}; 1]$$

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

3. If $RC E_{OUT} > RC G_{IN}$, then $RC G_{IN}$ will be used for the reduction on *Technical Profile* G_{in} and there is calculated another reduction coefficient $[NRC E_{OUT}]$ for the remaining *Commercial Profile* being a part of *Technical Profile* E_{out} as follows:

$$[NRC E_{OUT}] = \text{Min} [(E_{out} - G_{in})/sp; 1]$$

B:

1. There are calculated coefficients of reduction on *Technical Profile* E_{in} and G_{out} for *Reservation Subperiod 3rd – 14th September 2007* following these definitions:

$RC E_{IN}$ - coefficient of reduction on *Technical Profile* E_{in}

E_{in} - Value of cross-border capacity announced for given *Reservation Subperiod*

e_{in} - capacity assigned at the *Technical Profile* and direction from (CEPS +PSE-O) to SEPS, a.s.

$RC G_{OUT}$ - coefficient of reduction on *Technical Profile* G_{out}

G_{out} - Value of cross-border capacity announced for given *Reservation Subperiod*

g_{out} - capacity assigned at the *Technical Profile* and direction from CEPS to SEPS, a.s.

ps - capacity assigned at the *Commercial Profile* from PSE-O to SEPS, a.s.

$$RC E_{IN} = \text{Min} [E_{in} / e_{in}; 1]$$

$$RC G_{OUT} = \text{Min} [G_{out} / g_{out}; 1]$$

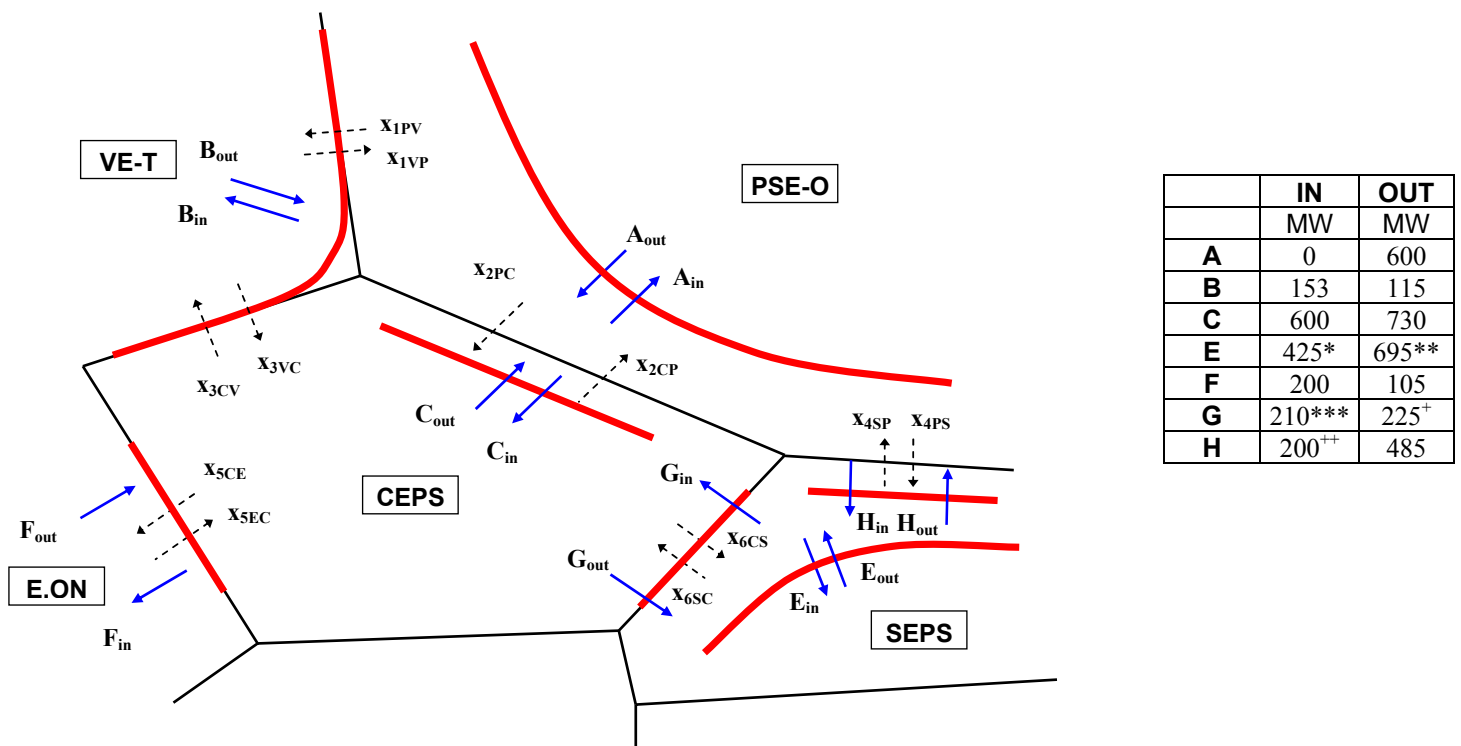
2. If $RC E_{IN} \leq RC G_{OUT}$, then coefficient $RC E_{IN}$ will be used for the reduction on *Technical Profile* E_{in}

3. If $RC E_{IN} > RC G_{OUT}$, then $RC G_{OUT}$ will be used for the reduction on *Technical Profile* G_{out} and there is calculated another reduction coefficient $[NRC E_{IN}]$ for the remaining *Commercial Profile* being a part of *Technical Profile* E_{in} as follows:

$$[NRC E_{IN}] = \text{Min} [(E_{in} - G_{out})/ps; 1]$$

Reduction may not be a subject of any compensation.

The following graph and table present cross-border transmission capacities at the common borders of CEPS, E.ON, PSE – O, SEPS, a.s. and VE-T offered in monthly *Auction* for the *Reservation Period: 1st September 2007 – 30th September 2007*



The following table presents the Auction Procedure Schedule for monthly *Auction* for September 2007.

	Publishing Offered Capacities	Closing date for submitting Bids 12:00 (CET)	Publishing results until 18:00	Issuing invoices	Due date of invoices	Expiration of payment period
Month	Deadline 1M	Deadline 2M	Deadline 3M	Deadline 4M	Deadline 5M	Deadline 6M
September	02.08.2007	08.08.2007	09.08.2007	10.08.2007	21.08.2007	28.08.2007