

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 October 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 October 2007 – 31st October 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}	200*
VE-T - (CEPS + PSE-O)	B _{in}	153	B _{out}	115
CEPS - PSE-O	C _{in}	150	C _{out}	730
SEPS, a.s. - (CEPS+PSE-O)	E _{in}	325**	E _{out}	595***
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}	150 ⁺⁺	H _{out}	435 ⁺⁺⁺

*) Value of cross-border capacity announced for *Reservation Subperiod 22nd October 2007* at the *Technical Profile* and direction from PSE-O to (CEPS + SEPS, a.s. + VE-T) is **0 MW**. Assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are reduced to **0 MW**. Reduction may not be a subject of any compensation.

) Value of cross-border capacity announced for *Reservation Subperiod 5th - 9th October 2007* at the *Technical Profile* and direction from (CEPS + PSE-O) to SEPS, a.s. is **125 MW. Value of cross-border capacity announced for *Reservation Subperiod 22nd October 2007* at the *Technical Profile* and direction from (CEPS + PSE-O) to SEPS, a.s. is **225 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*, assigned capacities at this *Technical Profile* and direction during given *Reservation Subperiod* are reduced proportionally to the value of cross-border capacity announced for given *Reservation Subperiod*. Reduction may not be a subject of any compensation.

***) Value of cross-border capacity announced for *Reservation Subperiod 5th - 9th October 2007* at the *Technical Profile* and direction from SEPS, a.s. to (CEPS + PSE-O) is **495 MW**. Value of cross-border capacity announced for *Reservation Subperiod 22nd October 2007* at the *Technical Profile* and direction from SEPS, a.s. to (CEPS + PSE-O) is **210 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*, assigned capacities at this *Technical Profile* and direction during given *Reservation Subperiod* are reduced proportionally to the value of cross-border capacity announced for given *Reservation Subperiod*. Reduction may not be a subject of any compensation.

****) Value of cross-border capacity announced for *Reservation Subperiod 5th - 9th October 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 5th - 9th October 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 5th - 9th October 2007*. Reduction may not be a subject of any compensation.

†) Value of cross-border capacity announced for *Reservation Subperiod 5th - 9th October 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 5th - 9th October 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 5th - 9th October 2007*. Reduction may not be a subject of any compensation.

††) Value of cross-border capacity announced for *Reservation Subperiod 5th - 9th October 2007* at the *Technical Profile* and direction from PSE-O to SEPS, a.s. is **100 MW**.
Value of cross-border capacity announced for *Reservation Subperiod 22nd October 2007* at the *Technical Profile* and direction from PSE-O to SEPS, a.s. is **0 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*, assigned capacities at this *Technical Profile* and direction during given *Reservation Subperiod* are reduced proportionally to the value of cross-border capacity announced for given *Reservation Subperiod*. Reduction may not be a subject of any compensation.

†††) Value of cross-border capacity announced for *Reservation Subperiod 22nd October 2007* at the *Technical Profile* and direction from SEPS, a.s. to PSE-O is **0 MW**.
Assigned capacities at this *Technical Profile* and direction during this *Reservation Subperiod* are reduced to **0 MW**. 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 5th - 9th October 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 5th - 9th October 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

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

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

2. If **RC E_{OUT}** ≤ **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:

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

B:

1. There are calculated coefficients of reduction on *Technical Profile E_{in}* and *G_{out}* for *Reservation Subperiod 5th - 9th October 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.

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

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

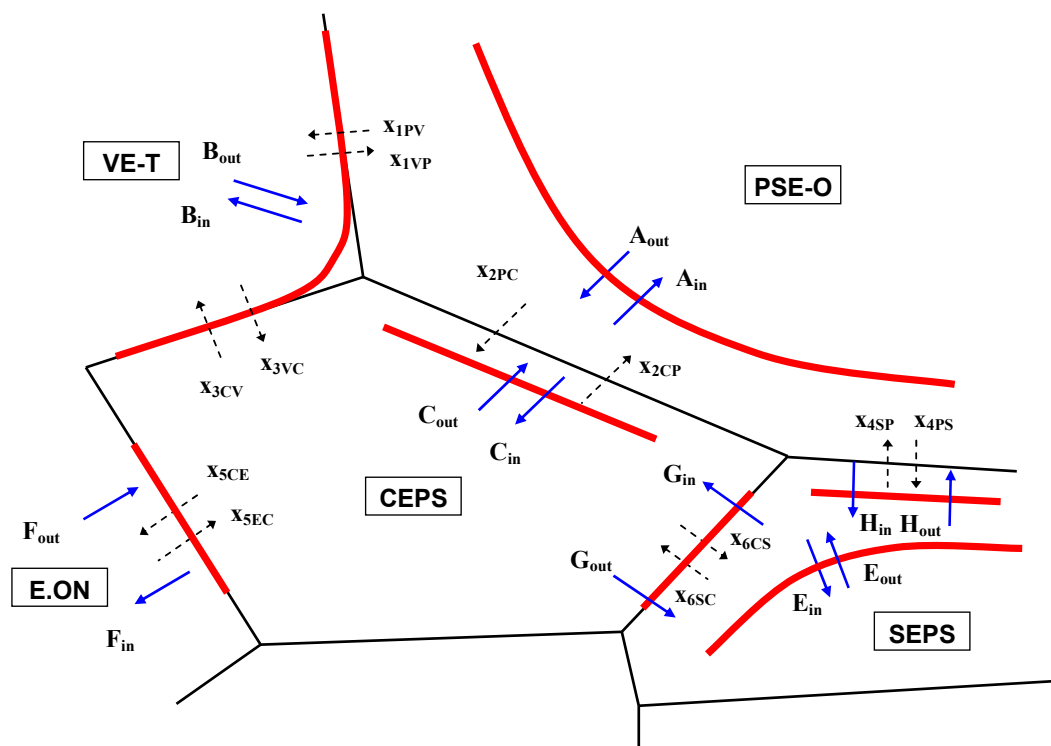
2. If **RC E_{IN}** ≤ **RC G_{OUT}**, then coefficient **RC E_{IN}** will be used for the reduction on *Technical Profile E_{in}*

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:

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

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 October 2007 – 31st October 2007*



	IN	OUT
	MW	MW
A	0	200*
B	153	115
C	150	730
E	325**	595***
F	200	105
G	210****	225 ⁺
H	150 ⁺⁺	435 ⁺⁺⁺

The following table presents the Auction Procedure Schedule for monthly *Auction* for October 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
October	04.09.2007	11.09.2007	12.09.2007	13.09.2007	24.09.2007	01.10.2007