

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 July 2006

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 July 2006 – 31st July 2006** 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}	500 *
VE-T - (CEPS + PSE-O)	B _{in}	159	B _{out}	205
CEPS - PSE-O	C _{in}	400	C _{out}	749
SEPS, a.s. - (CEPS+PSE-O)	E _{in}	665 **	E _{out}	907
E.ON - CEPS	F _{in}	3	F _{out}	110
CEPS - SEPS, a.s.	G _{in}	503	G _{out}	515 ***
SEPS, a.s. - PSE-O	H _{in}	150	H _{out}	404

*) Value of cross-border capacity announced for *Reservation Subperiod 10th – 14th July 2006* at the *Technical Profile* and direction from PSE-O to (CEPS + SEPS,a.s. + VE-T) is **400 MW**.

If sum of assigned capacities at the *Technical Profile* and direction from PSE-O to (CEPS + SEPS,a.s. + VE-T) is higher than value of cross-border capacity announced for *Reservation Subperiod 10th – 14th July 2006*, 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 July 2006*. Reduction may not be a subject of any compensation

) Value of cross-border capacity announced for *Reservation Subperiod 22nd – 30th July 2006* at the *Technical Profile* and direction from (CEPS +PSE-O) to SEPS, a.s. is **465 MW.

***) Value of cross-border capacity announced for *Reservation Subperiod 22nd – 30th July 2006* at the *Technical Profile* and direction from CEPS to SEPS, a.s. is **315 MW**.

Specific reduction procedure

There is a specific reduction procedure applied during *Reservation Subperiod 22nd – 30th July* because of different reduction at two *Technical Profiles* during the same *Reservation Subperiod*:

1. There are calculated coefficients of reduction on *Technical Profile* E_{in} and G_{out} for *Reservation Subperiod 22nd – 30th July* 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.

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

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

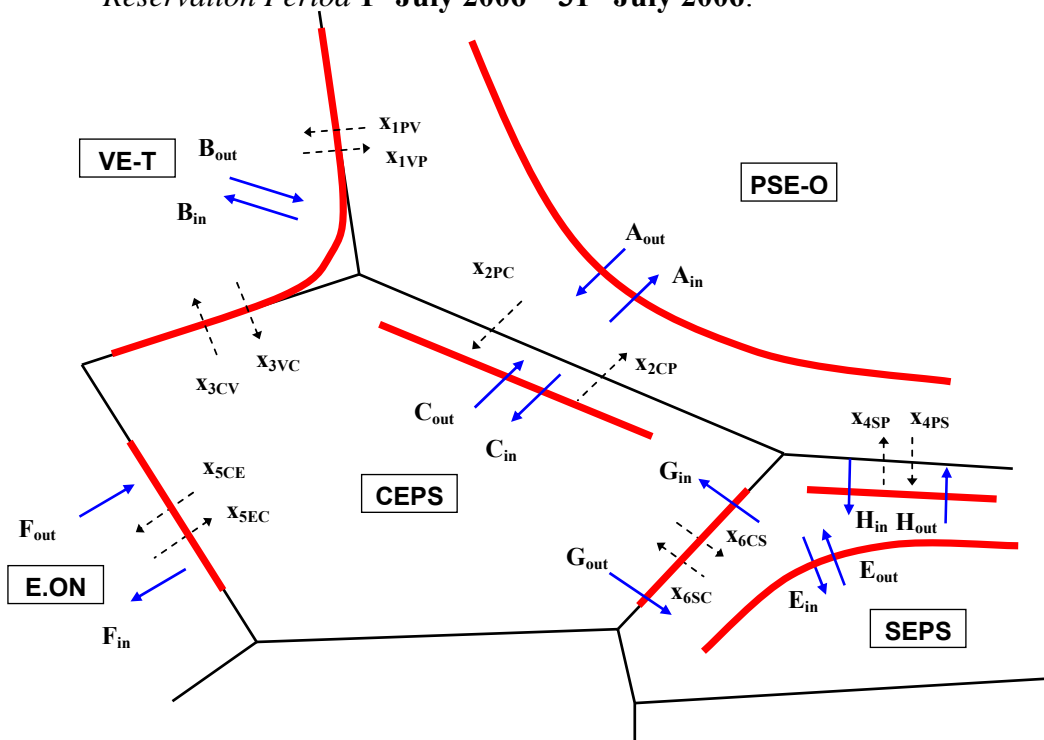
2. If $\text{RC } E_{IN} \leq \text{RC } G_{OUT}$, then coefficient $\text{RC } E_{IN}$ will be used for the reduction on *Technical Profile* E_{in}

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

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

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 July 2006 – 31st July 2006*:



	IN	OUT
	MW	MW
A	0	500*
B	159	205
C	400	749
E	665**	907
F	3	110
G	503	515***
H	150	404

The following tables present the Auction Procedure Schedule for monthly *Auction* for July 2006.

	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
July	07.06.2006	13.06.2006	15.06.2006	16.06.2006	28.06.2006	04.07.2006