

The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer in the applicable Transmission Provider Rate Schedule 03 through Rate Schedule 09.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (i) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS; (ii) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and (iii) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the six Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service

The rates and/or methodology are described in Rate Schedule 03. The Transmission Provider will provide dynamic scheduling in accordance with Attachment Q-1. The Transmission Provider will provide EIM Scheduling in accordance with Attachment Q-6.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service

The rates and/or methodology are described in Rate Schedule 04.

3.3 Regulation and Frequency Response Service

Where applicable the rates and/or methodology are described in Rate Schedule 05.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY