

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service will be provided in accordance with SRP's Open Access Transmission Tariff Schedule 3 at a rate not to exceed:

\$2.31/MW-hour of Regulation and Frequency Response reserved

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of reserved capacity equal to 3.43% of the Transmission Customer's network load responsibility in each hour for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 3.43% purchase obligation that a Transmission Customer obtains from third parties or supplies itself.