

Ancillary Services provided to SMT

An Ancillary Service Arrangement exists between TVA and Smoky Mountain Transmission (SMT).

SMT is a Transmission Service Provider (TSP) within the TVA Balancing Authority Area, who has a filed OATT and is a FERC jurisdictional entity selling Transmission Service. The mandatory Ancillary Services of Scheduling and Reactive are provided by the host Balancing Authority Area (TVA). Under the SMT Interconnection Agreement with TVA, TVA will supply ancillary services to support transmission service sold by SMT.

This Assignment and Amendatory Agreement was entered into on November 15th, 2012. TVA began providing ancillary services on behalf of SMT on July 1st, 2014 under this agreement.

7.6 Ancillary Services under the SMT Open Access Transmission Tariff.

A. It is understood by the Parties that TVA may provide ancillary services under TVA's Transmission Service Guidelines in support of transmission service on the SMT transmission system under the SMT Open Access Transmission Tariff. Accordingly, SMT shall notify TVA each month of all transmission service confirmed by SMT during the preceding month.

B. To the extent that TVA provides such ancillary services but is not otherwise compensated directly by the entity obtaining such transmission service from SMT, TVA shall submit an invoice to SMT, and SMT shall promptly pay to TVA the cost of providing such ancillary services determined in accordance with TVA's Transmission Service Guidelines. Payment by SMT shall be made within thirty (30) calendar days of receipt of a proper invoice. Any overdue payment shall bear interest from the date payment is due under this Interconnection Agreement until the date payment is received. The rate of interest shall be the rate payable by TVA under the United States Prompt Payment Act (31 U.S.C. §§ 39013907), which is published in the Federal Register and adjusted periodically (currently semi-annually).

No wholesale merchants or affiliates are involved with these arrangements.

TVA will post on a monthly basis to OASIS, the Transmission Service associated with these services and the amount for these services. Pricing is reflected in the TVA Transmission Service Guidelines under Schedule 1 & 2.