

# SERVICES TARIFF

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### SECTION 7.0 BILLING AND PAYMENT

[This mark-up reflects changes to the Services Tariff to reflect TCC-related billing and payment rules. Similar changes will be necessary to the OATT, as well.]

#### 7.1 ISO Clearing Account

The ISO will establish an account (the "ISO Clearing Account"), and Customers shall make payments into or receive payments from the ISO Clearing Account in accordance with their settlement information provided by the ISO as described in Section 7.2 of this ISO Services Tariff.

The ISO Clearing Account established herein shall be opened and operated by the ISO as trustee in trust for ISO creditors and ISO debtors in accordance with this ISO Services Tariff. The account shall be maintained at a bank or other financial institution in New York State as a trust account. Such account shall not be commingled with any other ISO accounts. The ISO will not take title to the funds held in the ISO Clearing Account. Nor will the ISO take title to any Energy, Capacity, Ancillary Services, or TCCs.

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#### 7.2 Billing Procedures and Payments

##### A. Invoices and Settlement Information.

The ISO shall provide settlement and billing information to Customers. The ISO shall inform each Customer that provides or is provided services furnished under this ISO Services Tariff or the ISO OATT in the ISO Administered Markets of the payments due for such service. For each service provided for under this ISO Services Tariff or the ISO OATT, the payments due to the ISO shall be netted against the corresponding amounts due to the Customer for providing services in the ISO Administered Markets. Such information shall be electronically transmitted to the Customer.

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Within five (5) business days after the first day of each month, the ISO shall submit an invoice to the Customer that indicates the net amount owed by or owed to the Customer for each of the services furnished under this ISO Services Tariff and the ISO OATT during the preceding month; provided, however, the allocation of Centralized TCC Auction or Reconfiguration Auction revenues to Transmission Owners shall be

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provided in invoices in accordance with the timeline set forth in ISO Procedures.

Charges may be based in whole or in part on estimates. Any charges based on estimates shall be subject to true-up, including interest calculated from the first due date after the service was rendered in accordance with Section 7.3 of this ISO Services Tariff, in invoices subsequently issued by the ISO after the ISO has obtained the requisite actual information, provided that the actual information is supplied to the ISO within the timeframes established in Section 7.4 of this ISO Services Tariff. The ISO may net any overpayment, including interest calculated from the date the overpayment was made in accordance with Section 7.3 of this ISO Services Tariff, by the Customer for past estimated charges against current amounts due from the Customer or, if the Customer has no outstanding amounts due, the ISO may pay to the Customer an amount equal to the overpayment. The ISO's invoices to Customers will be submitted only by electronic means via the ISO's Bid/Post System.

#### **B. Payment by the Customer**

A Customer owing payments on net shall make those payments to the ISO Clearing Account by the first banking day common to all parties after the 15th day of the month that the invoice is rendered by the ISO. All payments shall be made by

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wire transfer in immediately available funds payable to the ISO as trustee of the ISO Clearing Account.

Customers owing payments as a result of their activity in a Centralized TCC Auction or a Reconfiguration Auction, pursuant to an award notice rendered by the ISO shall make those payments to the ISO Clearing Account in accordance with the timeline set forth in ISO Procedures. All payments shall be made by wire transfer in immediately available funds payable to the ISO as trustee of the ISO Clearing Account.

#### **C. Payments by the ISO**

The ISO shall pay all net monies owed to a Customer from the ISO Clearing Account by the first banking day common to all parties after the 19th day of the month that the invoice is rendered by the ISO; provided, however, payments in connection with the allocation of Centralized TCC Auction or Reconfiguration Auction revenues to Transmission Owners shall be paid in accordance with the timeline set forth in ISO Procedures. All payments shall be made by wire transfer in immediately available funds payable to the Customer by the ISO as trustee of the ISO Clearing Account unless other arrangements are made.

The ISO shall pay all net monies owed to Customers as a result of their activity in a Centralized TCC Auction or a Reconfiguration Auction, pursuant to an award notice rendered by the ISO, from the ISO Clearing Account in accordance with ISO Procedures. All payments shall be made by wire transfer in immediately available funds payable to

the Customer by the ISO as trustee of the ISO Clearing Account unless other arrangements are made.

#### **D. Verification of Payments**

The ISO shall verify that all payments owed by Customers in accordance with this ISO Services Tariff and the ISO OATT to the ISO Clearing Account have been paid in a timely manner in accordance with ISO Procedures. If a Customer fails to make a payment within the time period established in Section 7.2B of this ISO Services Tariff or pays less than the amount due, the ISO shall take measures pursuant to Section 7.5.

The ISO shall also ensure that monies owed to Customers in accordance with this ISO Services Tariff and the ISO OATT are paid through the ISO Clearing Account in a timely manner in accordance with ISO Procedures.

#### **E. Payments for TSCs**

Bills and payments for TSCs shall be issued in accordance with the ISO OATT. Accordingly, this Section 7.0 shall not apply to TSCs.

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### **7.3 Interest on Unpaid Balances**

Interest on any unpaid amount whether owed to a Customer or to the ISO as trustee of the ISO Clearing Account (including amounts placed in escrow) shall be calculated in accordance

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with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a (a)(2)(iii). Interest on unpaid amounts shall be calculated from the due date of the bill to the date of payment. Invoices shall be considered as having been paid on the date of receipt by the ISO.

If the ISO is unable to provide settlement information on time due to the action or inaction of the Customer, in addition to any other remedies the ISO may have at law or in equity, the Customer shall pay interest on amounts due, as calculated above, from the first day of the month following the month in which charges are accrued to the time of payment of those charges.

**7.4 Billing Disputes** This Section 7.4 establishes the process and timeframe for review, challenge, and correction of Customer invoices. For purposes of this Section 7.4, any deadline that falls on a Saturday, Sunday, or holiday for which the ISO is closed shall be observed on the ISO's next business day.

For purposes of this Section 7.4, "finalized" data and invoices shall not be subject to further correction, including by the ISO, except as ordered by the Commission or a court of

competent jurisdiction; *provided, however*, that nothing herein shall be construed to restrict any stakeholder's right to seek redress from the Commission in accordance with the Federal Power Act.

Challenges to charges and payments in awards rendered by the ISO to Customers buying or selling TCCs in Centralized TCC Auctions and Reconfiguration Auctions shall be governed by Section 10 of Attachment M of the ISO OATT and ISO Procedures and shall not be governed by this Section 7.4.

**7.4.1 Settlement Cycle for Services Furnished Between January 1, 2007, and December 31, 2008**

**7.4.1.A ISO Corrections or Adjustments and Customer Challenges to the Accuracy of Settlement Information**

Settlement information for services furnished between January 1, 2007, and December 31, 2008, shall be subject to review, comment, and challenge by a Customer and correction or adjustment by the ISO for errors at any time for up to seven (7) months from the date of the initial invoice for the month in which the service is rendered and as further provided in Section 7.4.1.B, subject to the following requirements and limitations: