

DRAFT - For Discussion Only
November 30, 2005

7.4 Billing Dispute

A. Corrections or Adjustments to Settlement Information

Settlement information for services furnished prior to October 1, 2002, shall be subject to correction or adjustment for errors by the ISO in arithmetic, computation, or estimation for up to twenty-four (24) months from the date of the initial ~~billing~~-invoice for the month in which service is rendered, ~~except~~ **and** as **further** provided in Section 7.4.C, below. Settlement information for services furnished beginning October 1, 2002, and thereafter shall be subject to correction or adjustment for errors by the ISO in arithmetic, computation or estimation for up to twelve (12) months from the date of the initial ~~billing~~-invoice for the month in which service is rendered, ~~except~~ **and** as **further** provided in Sections 7.4.C, below.

B. Customer Challenges to the Accuracy of Settlement Information

~~The ISO shall indicate the component(s) of a billing invoice that are no longer subject to correction or adjustment for errors by the ISO in arithmetic, computation, or estimation, except as provided in Section 7.4.C ("Completed Settlement Component") not later than twelve (12) or twenty four months, as provided in Section 7.4.A, from date of the initial billing invoice for the month in which service was rendered. A final bill issued prior to January 10, 2003, shall be deemed a Completed Settlement Component for purposes of applying the provisions of this Section 7.4. A Customer's right to challenge the accuracy of a Completed Settlement Component shall be limited to a challenge~~**After making any necessary corrections in accordance with Section 7.4.A, the ISO shall issue a corrected invoice for Customer review, clearly indicating the start of the Customer review period. In the event that the ISO determines no corrections to an invoice are necessary, it shall reissue the original invoice for Customer review, clearly indicating the start of the Customer review period for that invoice. Customers shall then be permitted to review the accuracy of settlement information contained in the invoice for a** period of: (i) twelve (12) months from the date on which the Completed Settlement Component is issued**for invoices** for services furnished prior to October 1, 2002, and (ii) four (4) months from the date on which the Completed Settlement Component is issued**for invoices** for services furnished beginning October 1, 2002, and thereafter.

In order to challenge a ~~Completed Settlement Component~~**settlement information contained in an invoice**, a Customer shall first make payment in full, including any amounts in

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dispute. ~~A challenge to a Completed Settlement Component~~ **Customer challenges to settlement information** shall: **(i)** be submitted to the ISO in writing ~~and shall~~, **(ii) be clearly identified as a settlement challenge, (iii) state the basis for the Customer's challenge, and (iv)** include supporting documentation, if applicable.

C. ~~Evaluation and Reconciliation to Challenges to Settlement Information~~ Review and Correction of Challenged Invoices

The ISO shall evaluate ~~all challenges to Complete Settlement Components within a reasonable time after~~ **a settlement challenge within two calendar months following** the conclusion of the challenge period specified in Section 7.4.B. The ISO shall not be limited to the scope of Customer challenges in its review of a challenged ~~Completed Settlement Component~~ **invoice** and may, at its discretion, review and correct any other elements and intervals of a challenged ~~Component Settlement Component~~. ~~Reconciliation of successful challenges~~ **invoice. Corrections to a challenged invoice** shall be applied to all affected Customers **that were or should have been affected by the original settlement** and shall not be limited to the Customer challenging the ~~Completed Settlement Component~~. The ISO shall ~~recover amounts necessary to reconcile a successful challenge to a Completed Settlement Component from the appropriate Customers~~ **invoice**; *provided, however*, that the ISO may recover *de minimus* **minimis** amounts or amounts that the ISO is unable to collect from individual Customers through Rate Schedule 1 of the Services Tariff.

If the ISO determines that corrections or adjustments to a challenged ~~Completed Settlement Component may be~~ **invoice are** necessary and can quantify the corrections or adjustments with reasonable certainty, the ISO shall provide all affected Customers with the details of the potential adjustment and shall provide a period of thirty (30) calendar days for affected Customers to review the potential corrections or adjustments and provide comment to the ISO. After the Customer comment period, the ISO shall make any final corrections or adjustments that it determines are necessary and shall issue a close-out Settlement ("Close-Out Settlement"), clearly identified as such in the next monthly billing invoice. Close-Out Settlements shall not be subject to further ~~challenge by Customers~~ **correction by the ISO except as ordered by the Commission or a court of competent jurisdiction**.