

NYISO Settlement Correction Provisions

Billing and Price Correction Task Force
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Context

- Filed Rate Doctrine
 - Requires NYISO to charge customers in accordance with its tariffs
 - Requires NYISO to correct charges that are calculated in error
 - NYISO tariffs establish process and time limits for review and correction of settlements

Current Provisions

- Timeframes for settlement corrections established in NYISO tariffs
 - Services Tariff, Section 7.4, OATT, Section 7.2A
- NYISO required to correct errors in customer billing invoices during initial correction period of up to 24/12 twelve months
 - Metering “true-ups”
 - Other billing issues
- Initial correction period concludes with the issuance of a Completed Settlement Component

Current Provisions

- “Completed Settlement Component”
 - Includes all portions of a given billing invoice indicated by the NYISO to be closed to initial corrections by the NYISO -- in practice, the entire billing invoice
 - “Component(s) of a billing invoice no longer subject to correction or adjustment . . . except as provided in Section 7.4C” Services Tariff, Section 7.4B
 - “A final bill issued prior to January 10, 2003, shall be deemed a Completed Settlement Component. . . .” Services Tariff, Section 7.4B

Current Provisions

- After customer challenge period of 12/4 months, NYISO required to evaluate bill challenges within a reasonable time and may review and correct any other elements and intervals of a challenged Completed Settlement Component
- If NYISO determines that a correction is necessary, it must provide details of the correction to all affected parties and allow 30 days for review and comment

Current Provisions

- After the final customer review and comment period, the NYISO must apply corrections to all affected parties and issue a Close-Out Settlement for the month
- A Close-Out Settlement is not subject to further challenge

Possible Changes

- NYISO proposes to revise bill correction rules
 - Proper balance between accuracy and certainty
 - Clear, comprehensive, and realistic rules in tariffs
 - Rules should be updated to match current resources and practices
 - Decision Support System (DSS)
 - Market Settlements Manual
 - Monthly billing invoices not separated

Possible Changes

- Different timeframes for review and correction
- Concurrent review by NYISO and customers
- Clarify procedural requirements for challenges and corrections
- Other clarifying revisions