

# NYISO Bill Correction Process

Presented to NYISO Stakeholders

May 20, 2005

# Today's Presentation

- Presentation reflects current tariff provisions and relevant Commission and judicial precedent
- NYISO proposes stakeholder process to revise bill correction rules

# Today's Presentation

- Bill Correction Responsibility
- Bill Review and Correction Process
- Status of Residual TCC Issues and Close-Out Settlements
- Proposed Revision of Bill Correction Rules

# Bill Correction Responsibility

- 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 bills

# Bill Correction Responsibility

- Summary of time limitations on bill corrections 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

# Bill Correction Responsibility

- “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

# Bill Correction Responsibility

- 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

# Bill Correction Responsibility

- 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 or correction absent judicial or administrative intervention



# Bill Review and Correction Process

- Internal Process
  - Departmental Review
  - Internal Audit
  - Billing Issues Group
- Stakeholder Process
  - Billing and Accounting Working Group
  - Customer bill challenges

# Residual TCC Issues

- NYISO will Correct Group 1 errors in Close-Out Settlements
- NYISO will take no action to address Group 2 errors
  - Group 2 errors did not harm any party, no bill correction necessary
  - Group 2 errors cannot be corrected to comply with tariffs
  - TCC auction prices and congestion rents calculated correctly
- NYISO has discussed this approach with Commission staff and will apprise the Commission upon issuance of Close-Out Settlements
- NYISO may review and correct any other elements and intervals of a challenged Completed Settlement Component. Services Tariff, Section 7.4C. NYISO will correct all known billing errors that are reasonably susceptible to correction.

# Possible Revision of Bill Correction Rules

- NYISO proposes a stakeholder process 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
  - NYISO will present proposal to BIC