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7.4 Billing Disputes

A. This Section 7.4 establishes the process and timeframe for review, challenge, and correction of Customer invoices. For purposes of this Article 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 Article 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.

7.4.1 Settlement Cycle for Services Furnished Prior to January 1, 2007

7.4.1.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 invoice for the month in which service is rendered and as further provided in Section 7.4.~~7.4.1~~.C below. Settlement information for services furnished ~~beginning~~between October 1, 2002, and thereafter December 31, 2006, 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 and as further provided in Sections 7.4.~~7.4.1~~.C below. The ~~NYISO~~ISO shall notify all Customers of errors identified and the details of corrections or adjustments made pursuant to this Section 7.4.A.~~7.4.1~~.A

7.4.1.B. Customer Challenges to the Accuracy of Settlement

Information

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. Customers shall then be permitted to review the accuracy of settlement information contained in the invoice for a period of: (i) twelve (12) months for invoices for services furnished prior to October 1, 2002, and (ii) four (4) months for invoices for services furnished ~~beginning~~**between** October 1, 2002, and ~~thereafter~~**December 31, 2006.**

In order to challenge settlement information contained in an invoice, a Customer shall first make payment in full, including any amounts in dispute. Customer challenges to settlement information shall: (i) be submitted to the ISO in writing, (ii) be clearly identified as a settlement challenge, (iii) state the basis for the Customer's challenge, and (iv) include supporting documentation, if applicable.

7.4.1.C. Review and Correction of Challenged Invoices

The ISO shall evaluate a settlement challenge as soon as possible within two (2) months following the conclusion of the challenge period specified in Section ~~7.4.~~**7.4.1.B.**; *provided, however,* the ISO may, upon notice to Customers within this time of extraordinary circumstances requiring a longer evaluation period, take up to six (6) months to evaluate a settlement challenge. Initiation of a dispute resolution proceeding pursuant to Article 11 of the ISO Services Tariff or Article 12 of the ISO OATT pertaining to a pending customer settlement challenge shall constitute an extraordinary circumstance for purposes of this Section ~~7.4.~~**7.4.1.C.** The ISO shall

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not be limited to the scope of Customer challenges in its review of a challenged invoice and may, at its discretion, review and correct any other elements and intervals of a challenged invoice.

Corrections to a challenged invoice shall be applied to all Customers that were or should have been affected by the original settlement and shall not be limited to the Customer challenging the invoice; *provided, however*, that the ISO may recover *de 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 invoice are necessary and can quantify them with reasonable certainty, the ISO shall provide all Customers with the details of the corrections or adjustments within the timeframe established in this Section 7.4.7.4.1.C and shall then provide a period of twenty-five (25) days for Customers to review the corrected settlement information and provide comments to the ISO regarding the implementation of those corrections or adjustments.

If no errors in the implementation of corrections or adjustments are identified during the twenty-five (25) day Customer comment period, the ISO shall issue a **finalized** close-out Settlement (“Close-Out Settlement”), clearly identified as such, in the next regular monthly billing invoice. If an error in the implementation of a correction or adjustment is identified during the twenty-five (25) day Customer comment period, the ISO shall make such further corrections as are necessary to address the error and shall then provide one additional period of twenty-five (25) days for Customers to review and comment on the implementation of those further corrections. The ~~NYISO~~**ISO** shall then make any final corrections that are necessary and shall issue a **finalized** Close-Out Settlement in the next regular monthly billing invoice.

~~A Close-Out~~ **7.4.2 Settlement Cycle for Services Furnished On and After January 1, 2007**

7.4.2.A Corrections, Adjustments, and Customer Challenges to the Accuracy of Settlement Information

Settlement information for services furnished beginning January 1, 2007, and thereafter, shall not be subject to further correction 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. **be subject to review, comment, and challenge by a Customer and correction or adjustment by the ISO for errors in arithmetic, computation, or estimation for up to seven (7) months from the date of the initial settlement invoice for the month in which the service is rendered and as further provided in Sections 7.4.2.B. below; provided, however, that:**

- (i) A Transmission Owner or Supplier may review, comment on, and challenge Generator and Tie-Line Metering data for fifty-five (55) days from the date of the initial invoice for the month in which service is rendered. Following this review period, the ISO shall then have five (5) days to process and correct Generator and Tie-Line Metering data, after which time it shall be finalized.**
- (ii) The ISO shall post advisory settlement information, including available LSE Bus Metering data, within ninety (90) days from the date of the initial invoice. Customers may review, comment on, and challenge this settlement information, after which the ISO shall process and correct the data and issue a corrected invoice at one hundred twenty (120) days from the date of the initial invoice.**

(iii) The ISO shall then post any remaining LSE Bus Metering data within one hundred thirty-one (131) days from the date of the initial invoice. At one hundred fifty (150) days from the date of the initial invoice, all LSE Bus Metering data shall no longer be subject to change by the Meter Authority, and the ISO shall post updated advisory settlement information. Customers may review, comment on, and challenge this settlement information, after which the ISO shall process and correct the data and issue an updated corrected invoice at one hundred eighty (180) days from the date of the initial invoice, at which time the LSE Bus Metering data shall be finalized.

The ISO shall use reasonable means to post metering revisions for review by Customers and to notify Customers of the approaching expiration of review periods. To challenge settlement information contained in an invoice, a Customer shall first make payment in full, including any amounts in dispute. Customer challenges to settlement information shall: (i) be submitted to the ISO in writing, (ii) be clearly identified as a settlement challenge, (iii) state the basis for the Customer's challenge, and (iv) include supporting documentation, if applicable. The ISO shall notify all Customers of errors identified and the details of corrections or adjustments made pursuant to this Section 7.4.2.A.

7.4.2.B Review and Correction of Challenged Invoices

The ISO shall evaluate a settlement challenge as soon as possible within two (2) months following the conclusion of the challenge period specified in Section 7.4.2.A; provided, however, the ISO may, upon notice to Customers within this time of extraordinary circumstances requiring a longer evaluation period, take up to six (6)

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months to evaluate a settlement challenge. Initiation of a dispute resolution proceeding pursuant to Article 11 of the ISO Services Tariff or Article 12 of the ISO OATT pertaining to a pending customer settlement challenge shall constitute an extraordinary circumstance for purposes of this Section 7.4.2.B. The ISO shall not be limited to the scope of Customer challenges in its review of a challenged invoice and may, at its discretion, review and correct any other elements and intervals of a challenged invoice, except load and meter data as specified in 7.4.2.A. Corrections to a challenged invoice shall be applied to all Customers that were or should have been affected by the original settlement and shall not be limited to the Customer challenging the invoice; *provided, however*, that the ISO may recover *de 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 invoice are necessary and can quantify them with reasonable certainty, the ISO shall provide all Customers with the details of the corrections or adjustments within the timeframe established in this Section 7.4.2.B and shall then provide a period of twenty-five (25) days for Customers to review the corrected settlement information and provide comments to the ISO regarding the implementation of those corrections or adjustments.

If no errors in the implementation of corrections or adjustments are identified during the twenty-five (25) day Customer comment period, the ISO shall issue a finalized close-out Settlement (“Close-Out Settlement”), clearly identified as such, in the next regular monthly billing invoice. If an error in the implementation of a correction or adjustment is identified during the twenty-five (25) day Customer comment period, the ISO shall make such further corrections as are necessary to address the error and shall

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then provide one additional period of twenty-five (25) days for Customers to review and comment on the implementation of those further corrections. The ISO shall then make any final corrections that are necessary and shall issue a finalized Close-Out Settlement in the next regular monthly billing invoice.