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March 26, 2010

**By Hand Delivery**

Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

***Re: New York Independent System Operator, Inc., Proposed Tariff Revisions  
Relating to Billing and Settlement, Docket No. ER10-\_\_\_\_-000***

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act<sup>1</sup> and Part 35 of the Commission's regulations, the New York Independent System Operator, Inc. ("NYISO") respectfully submits proposed revisions to its Open Access Transmission Tariff ("OATT") and its Market Administration And Control Area Services Tariff ("Services Tariff") to clarify certain meter data posting and customer review timelines included in the NYISO's tariff provisions for billing and payment.

**I. Documents Submitted**

1. This filing letter;
2. A clean version of the proposed revisions to the NYISO OATT and Services Tariff ("Attachment I"); and
3. A blacklined version of the proposed revisions to the NYISO OATT and Services Tariff ("Attachment II"),

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<sup>1</sup> 16 U.S.C. 824(d).

## **II. Background**

The NYISO has been conducting an internal review of its tariffs to identify opportunities to improve and clarify them, and as part of that process determined to propose the changes described in this filing. These changes involve minor modifications to sections in both tariffs relating to the NYISO's use of metering data in its settlement process, the timeframes for posting meter data, and the corresponding periods for customers to review and challenge their invoices. Taken as a whole, the proposed tariff changes clarify the use and availability of meter data in the current NYISO settlement process.

## **III. Tariff Description and Justification**

### **A. Revisions to the Services Tariff**

In order to more accurately describe the NYISO's current practices of using meter data to settle invoices, the NYISO proposes to modify the language in section 7.2A of the Services Tariff, "Invoices and Settlement Information." Specifically, the modified tariff language provides that the NYISO will use meter data submitted pursuant to Article 13 of the Services Tariff as the basis for settling Customers' invoices, but continues to authorize the NYISO to use estimates to settle an invoice when required, so long as the estimates are developed in accordance with the NYISO's Procedures.<sup>2</sup>

The NYISO also proposes changes to section 7.4.2A of the Services Tariff, "ISO Corrections or Adjustments and Customer Challenges to the Accuracy of Settlement Information." The tariff currently provides a timeline for the NYISO to post LSE bus metering data and for customer challenges and NYISO adjustments to invoices. Due to the fact that the NYISO typically does not receive the metering data until day 70 after the date of the initial invoice, it posts the initial LSE bus metering data five days after confirming and processing the data, thus on day 75. The same is true for the corrected LSE bus metering data, which the NYISO typically receives on day 130 and posts on day 135 after the initial invoice. Together, these proposed changes reflect the NYISO's time limitations in processing and posting the LSE bus metering data and further clarify that the Customer has ten (10) days in the settlement timeline to review, comment on, and challenge the LSE bus metering data.

### **B. Revisions to the OATT**

The NYISO also proposes equivalent changes to sections 7.1.A and 7.2A of the OATT, which correspond to the sections of the Services Tariff discussed above.

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<sup>2</sup> Capitalized terms used in this filing and not defined here shall have the meaning given to them by the NYISO Tariffs.

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#### **IV. Effective Date**

The NYISO requests a May 26, 2010 effective date for these tariff amendments, sixty (60) days from the date of this filing.

#### **V. Stakeholder Approval**

The NYISO discussed its approach to clarifying its tariff language at several stakeholder meetings held between October 26, 2009 and February 24, 2010. On that date, the NYISO's Management Committee unanimously approved the proposed modifications. The NYISO Board approved the proposed tariff changes at a meeting held on March 16, 2010.

#### **VI. Communications and Correspondence**

All communications and service in this proceeding should be directed to:

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Elaine D. Robinson  
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\*Persons designated for receipt of service.

#### **VII. Service**

The NYISO will electronically send a link to this filing to the official representative of each of its Customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the electric utility regulatory agency of New Jersey. In addition, the complete filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com).

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### **VIII. Conclusion**

WHEREFORE, for the foregoing reasons, the NYISO respectfully requests that the Commission accept for filing the tariff revisions that are attached hereto, with an effective date of May 26, 2010.

Respectfully submitted,

/s/ Elizabeth A. Grisaru

Elizabeth A. Grisaru

Whiteman Osterman & Hanna

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Rachel Spiker

## **ATTACHMENT I**

Within five (5) business days after the first day of each month, the ISO shall submit an invoice to the Transmission Customer that indicates the net amount owed by or owed to the Transmission Customer for each of the services furnished under this ISO OATT and the ISO Services Tariff during the preceding month. The ISO shall use meter data submitted to the ISO in accordance with Article 24 of the ISO OATT; provided, however, that the ISO may use estimates in whole or in part, in accordance with ISO Procedures, to settle an invoice. 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 7.2 of this ISO OATT, 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 7.2A of this ISO OATT. The ISO may net any overpayment, including interest calculated from the date the overpayment was made in accordance with Section 7.2 of this ISO OATT, by the Transmission Customer for past estimated charges against current amounts due from the Transmission Customer or, if the Transmission Customer has no outstanding amounts due, the ISO may pay to the Transmission Customer an amount equal to the overpayment. The ISO's invoices to

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, tie-line, and sub-zone Load metering data, after which time it shall be finalized.

- (ii) The meter authority shall provide to the ISO all LSE bus metering data then available within seventy (70) days from the date of the initial invoice and shall provide any necessary updates to the LSE bus metering data as soon as possible thereafter. The ISO shall post all available LSE bus metering data within approximately seventy-five (75) days from the date of the initial invoice and shall continue to post incoming LSE bus metering data as soon as practicable after it is received.
- (iii) The ISO shall post advisory settlement information, including available LSE bus metering data, within ninety (90) days from the date of the initial invoice. Transmission Customers may review, comment on, and challenge this settlement information, except for Generator, tie-line, and sub-zone Load metering data, after which the ISO shall process and correct the data and issue a corrected invoice with the regular monthly invoice issued on or about one hundred twenty (120) days from the date of the initial invoice. Following the ISO's issuance of a corrected invoice, Transmission Customers may continue to review, comment on, and challenge their settlement information, excepting Generator, tie-line, and sub-zone Load metering data, until the end of the five-month review period.

- (iv) The meter authority shall provide to the ISO any final updates or corrections to LSE bus metering data within one hundred thirty (130) days from the date of the initial invoice. The ISO shall then post any updated and corrected LSE bus metering data within one hundred thirty-five (135) days from the date of the initial invoice. Transmission Customers may then review, comment on, and challenge the LSE bus metering data for an additional ten (10) days. Following this review period, the ISO shall have five (5) days to process and correct the LSE bus metering data, after which it shall be finalized.

The ISO shall use reasonable means to post metering revisions for review by Transmission Customers and to notify Transmission Customers of the approaching expiration of review periods. To challenge settlement information contained in an invoice, a Transmission Customer shall first make payment in full, including any amounts in dispute. Transmission 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 Transmission Customer's challenge, and (iv) include supporting documentation, if applicable. The ISO shall notify all Transmission Customers of errors identified and the details of corrections or adjustments made pursuant to this Section 7.2A.2a.



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. The ISO shall use meter data submitted to the ISO in accordance with Article 13 of the ISO Services Tariff; provided, however, that the ISO may use estimates in whole or in part, in accordance with ISO Procedures, to settle an invoice. 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

necessary updates to the LSE bus metering data as soon as possible thereafter.

The ISO shall post all available LSE bus metering data within approximately seventy-five (75) days from the date of the initial invoice and shall continue to post incoming LSE bus metering data as soon as practicable after it is received.

- (iii) 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, except for Generator, tie-line, and sub-zone Load metering data, after which the ISO shall process and correct the data and issue a corrected invoice with the regular monthly invoice issued on or about one hundred twenty (120) days from the date of the initial invoice. Following the ISO's issuance of a corrected invoice, Customers may continue to review, comment on, and challenge their settlement information, excepting Generator, tie-line, and sub-zone Load metering data, until the end of the five-month review period.

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## **ATTACHMENT II**

Within five (5) business days after the first day of each month, the ISO shall submit an invoice to the Transmission Customer that indicates the net amount owed by or owed to the Transmission Customer for each of the services furnished under this ISO OATT and the ISO Services Tariff during the preceding month.

The ISO shall use meter data submitted to the ISO in accordance with Article 24 of the ISO OATT; provided, however, that the ISO may use estimates in whole or in part, in accordance with ISO Procedures, to settle an invoice. 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 7.2 of this ISO OATT, 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 7.2A of this ISO OATT. The ISO may net any overpayment, including interest calculated from the date the overpayment was made in accordance with Section 7.2 of this ISO OATT, by the Transmission Customer for past estimated charges against current amounts due from the Transmission Customer or, if the Transmission Customer has no outstanding amounts due, the ISO may pay to the Transmission Customer an amount equal to the overpayment. The ISO's invoices to

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- (ii) The meter authority shall provide to the ISO all LSE bus metering data then available within seventy (70) days from the date of the initial invoice and shall provide any necessary updates to the LSE bus metering data as soon as possible thereafter. The ISO shall post all available LSE bus metering data within approximately ~~seventy-one (71)~~seventy-five (75) days from the date of the initial invoice and shall continue to post incoming LSE bus metering data as soon as practicable after it is received.
- (iii) The ISO shall post advisory settlement information, including available LSE bus metering data, within ninety (90) days from the date of the initial invoice. Transmission Customers may review, comment on, and challenge this settlement information, except for Generator, tie-line, and sub-zone Load metering data, after which the ISO shall process and correct the data and issue a corrected invoice with the regular monthly invoice issued on or about one hundred twenty (120) days from the date of the initial invoice. Following the ISO's issuance of a corrected invoice, Transmission Customers may continue to review, comment on, and challenge their settlement information, excepting Generator, tie-line, and sub-zone Load metering data, until the end of the five-month review period.

- (iv) The meter authority shall provide to the ISO any final updates or corrections to LSE bus metering data within one hundred thirty (130) days from the date of the initial invoice. The ISO shall then post any updated and corrected LSE bus metering data within ~~one hundred thirty-one (131)~~ one hundred thirty-five (135) days from the date of the initial invoice. Transmission Customers may then review, comment on, and challenge the LSE bus metering data for an additional ~~fourteen (14)~~ ten (10) days. Following this review period, the ISO shall have five (5) days to process and correct the LSE bus metering data, after which it shall be finalized.

The ISO shall use reasonable means to post metering revisions for review by Transmission Customers and to notify Transmission Customers of the approaching expiration of review periods. To challenge settlement information contained in an invoice, a Transmission Customer shall first make payment in full, including any amounts in dispute. Transmission 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 Transmission Customer's challenge, and (iv) include supporting documentation, if applicable. The ISO shall notify all Transmission Customers of errors identified and the details of corrections or adjustments made pursuant to this Section 7.2A.2a.

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necessary updates to the LSE bus metering data as soon as possible thereafter.

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