

7.2 Billing Procedures and Payments

7.2.1 Invoices and Settlement Information.

The ISO shall provide settlement and billing information to Customers. The ISO shall inform each Customer that provides or is provided services furnished under this ISO Services Tariff or the ISO OATT of the payments due for such service. For each service provided for under this ISO Services Tariff or the ISO OATT, the payments due to the ISO shall be netted against the corresponding amounts due to the Customer for providing service. Such information shall be electronically transmitted to the Customer.

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; provided, however, that allocation of Centralized TCC Auction or Reconfiguration Auction revenues to Transmission Owners shall be provided in invoices in accordance with the timeline set forth in ISO Procedures. 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.

7.2.2 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 wire transfer in immediately available funds payable to the ISO as trustee of the ISO Clearing Account.

Customers owing payments as a result of their activity in a Centralized TCC Auction or Reconfiguration Auction, pursuant to an award notice rendered by the ISO shall make those payments to the ISO Clearing Account in accordance with the timeline set forth in ISO Procedures. All payments shall be made by wire transfer in immediately available funds payable to the ISO as trustee of the ISO Clearing Account.

7.2.3 Payments by the ISO

The ISO shall pay all net monies owed to a Customer from the ISO Clearing Account by the first banking day common to all parties after the 19th day of the month that the invoice is rendered by the ISO; provided, however, payments in connection with the allocation of Centralized TCC Auction or Reconfiguration Auction revenues to Transmission Owners shall be paid in accordance with the timeline set forth in ISO Procedures. All payments shall be made by wire transfer in immediately available funds payable to the Customer by the ISO as trustee of the ISO Clearing Account unless other arrangements are made.

The ISO shall pay all net monies owed to Customers as a result of their activity in a Centralized TCC Auction or a Reconfiguration Auction, pursuant to an award notice rendered by

the ISO, from the ISO Clearing Account in accordance with ISO Procedures. All payments shall be made by wire transfer in immediately available funds payable to the Customer by the ISO as trustee of the ISO Clearing Account unless other arrangements are made.

7.2.4 Verification of Payments

The ISO shall verify that all payments owed by Customers in accordance with his ISO Services Tariff and the ISO OATT to the ISO Clearing Account have been paid in a timely manner in accordance with ISO Procedures. If a Customer fails to make a payment within the time period established in Section 7.2.2 of this ISO Services Tariff or pays less than the amount due, the ISO shall take measures pursuant to Section 7.5 of this ISO Services Tariff. The ISO shall also ensure that monies owed to Customers in accordance with this ISO Services Tariff and the ISO OATT are paid through the ISO Clearing Account in a timely manner in accordance with ISO Procedures.

7.2.5 Payments for TSCs

Bills and payments for TSCs shall be issued in accordance with the ISO OATT. Accordingly, this Section 7 shall not apply to TSCs.