

- d) Where a Covered Entity's total Payments exceed its total Charges in a billing period, the ISO shall issue a "Remittance Advice" for the net Payment owed to the Covered Entity. Invoices and Remittance Advices are collectively referred to herein as "Statements."

Section 1.3 - General Process. Except for special billings, as described in Section 1.4 below, the billing process is performed (i) weekly for each complete-day settlement amount for hourly charges and payments for Real-Time Energy, Day-Ahead Energy, Real-Time Operating Reserves, ~~Day Ahead Operating Reserves~~, Forward Reserves, Regulation ~~S~~service, Emergency Sales, ~~and~~ Emergency Purchases and Net Commitment Period Compensation (collectively, the "Hourly Charges") and (ii) monthly for all other charges and payments, including without limitation the monthly markets, the Forward Capacity Market, other ancillary services, Participant Expenses, charges under Section IV of the ISO Transmission, Markets and Services Tariff and monthly meter adjustments (collectively, "Non-Hourly Charges" and, together with Hourly Charges, "ISO Charges"), except in the case of Covered Entities who have requested and received a weekly payment arrangement for Non-Hourly Charges under one of the Financial Assurance Policies that are Exhibits IA, IB and IC to Section I of the ISO Transmission, Markets and Services Tariff (collectively, the "Financial Assurance Policies"). There are two major steps in the billing process:

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## SECTION 6 - BILLING DISPUTE PROCEDURES.

### Section 6.1 - Requested Billing Adjustments Eligible for Resolution under Billing Dispute

Procedures. Any Covered Entity may dispute the amount due on any fully paid monthly Invoice and/or any amount believed to be due or owed on a Remittance Advice (a “Disputed Amount”).

Such party (a “Disputing Party”) shall seek to recover such Disputed Amount, including accrued interest, pursuant to this Section 6, by first submitting a request for billing adjustment to the ISO (a “Requested Billing Adjustment” or “RBA”) in accordance with the procedures provided in this Section 6. A Disputing Party may seek resolution of a Requested Billing Adjustment under

this Section 6 concerning any Disputed Amount resulting from ~~(1)~~ the determination of a market clearing price or Transmission, Markets and Services Tariff rate by the ISO that allegedly either violates or is otherwise inconsistent with the Transmission, Markets and Services Tariff, or

results from error by the ISO, and provided that a request for a correction of a Meter Data Error

shall not be considered a Requested Billing Adjustment for purposes of this Billing Policy, and

requests for corrections of Meter Data Errors will be handled exclusively through the procedures

set out in Market Rule 1, or (2) any Disputed Amount resulting from a Meter Data Error subject

to the provisions of Section III.3.7.6 of Market Rule 1. Notwithstanding the foregoing, a

Requested Billing Adjustment must involve a requested change in an amount owed or believed to be owed in a Remittance Advice that is not covered by another alternative dispute resolution procedure under the

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Transmission, Markets and Services Tariff. Furthermore, a Requested Billing Adjustment must not involve Disputed Amounts paid on a weekly Invoice for Non-Hourly Charges pursuant to the Financial Assurance Policies, provided, however, that this provision shall not preclude a Disputing Party from submitting a Requested Billing Adjustment for a Disputed Amount on a fully paid monthly Invoice for Non-Hourly Charges which has been paid pursuant to a weekly Invoice for Non-Hourly Charges in that month.

Section 6.2 - Effect of this Policy on Rights of Market Participant, PTO, or Non-Market Participant Transmission Customer with Respect to a Disputed Amount. Except as otherwise set forth in this Section 6.2, nothing in this Section 6 shall in any way abridge the right of any Covered Entity to seek legal or equitable relief under the Federal Power Act and/or any other applicable laws with respect to any Disputed Amount. Prior to commencing a proceeding before the Commission or other regulatory or judicial authority with jurisdiction to resolve the dispute which is the subject of the Requested Billing Adjustment, the Disputing Party must first submit the Requested Billing Adjustment to the ISO for review pursuant to Section 6.3 of this Policy.

Section 6.3 - ISO Review of Requested Billing Adjustment.

Section 6.3.1 - Submission of Requested Billing Adjustment to the ISO; Required Contents of Requested Billing Adjustment. A Disputing Party shall submit a Requested

Billing Adjustment in writing to the Chief Financial Officer of the ISO. In its Requested Billing Adjustment, ~~other than a Requested Billing Adjustment for a Meter Data Error,~~ the Disputing Party must specify: (a) the Disputed Amount at issue, (b) the instance of alleged error at issue, including a statement detailing the specific provisions of all applicable governing documents that support the Requested Billing Adjustment, and (c) the specific person or persons to whom all communications to the Disputing Party regarding the Requested Billing Adjustment are to be addressed. A Disputing Party must submit its Requested Billing Adjustment, ~~other than for a Requested Billing Adjustment for a Meter Data Error,~~ within three months of the date that the Invoice or Remittance Advice containing the Disputed Amount was issued by the ISO unless the Disputing Party could not have reasonably known of the existence of the alleged error within such time. ~~A Disputing Party must submit a Requested Billing Adjustment for a Meter Data Error no later than the Meter Data Error RBA Submission Limit through the use of the RBA Form for Meter Data Errors as posted on the ISO website.~~

Section 6.3.2 - Notice of ISO Review of Requested Billing Adjustment. Within three Business Days of the receipt by the ISO's Chief Financial Officer of a Requested Billing Adjustment, the ISO shall prepare and submit to all Covered Entities and to the Chair of the NEPOOL Budget and Finance Subcommittee a notice of the Requested Billing Adjustment ("Notice of RBA"), including, subject to the protection of Confidential Information, the specifics of the Requested Billing Adjustment. The Notice of RBA shall

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identify a specific representative of the ISO to whom all communications regarding the Requested Billing Adjustment are to be sent. ~~For a Requested Billing Adjustment for a Meter Data Error, the Notice of RBA shall indicate the affected metering domains and the affected Host Participant Assigned Meter Readers.~~

Section 6.3.3 - ISO Review of Requested Billing Adjustments. The ISO shall complete its review of a Requested Billing Adjustment, ~~other than a Requested Billing Adjustment for a Meter Data Error~~, received pursuant to Section 6.3 within twenty (20) business days of the date the ISO distributes the Notice of RBA. To the extent that either party makes such a request and both parties agree to such request, the ISO and Disputing Party may meet or otherwise confer during this period in an effort to resolve the Requested Billing Adjustment. ~~For a Requested Billing Adjustment for a Meter Data Error, the Host Participant Assigned Meter Reader must submit to the ISO corrected meter data, or a notice that no correction is necessary, for Directly Metered Assets prior to the forty-sixth (46th) calendar day after the Meter Data Error RBA Submission Limit. Corrected metered data for Profiled Load assets and ICAP tags, or a notice that no correction is necessary, must be submitted to the ISO by the Host Participant Assigned Meter Reader prior to the eighty-sixth (86st) calendar day after the Meter Data Error RBA Submission Limit. Corrected internal bilateral transactions data must be submitted to the ISO by a~~  
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~~Participant prior to the ninety-first (91st) calendar day after the Meter Data Error RBA Submission Limit. Corrected data received after these deadlines will not be considered in connection with any Requested Billing Adjustment for a Meter Data Error. The Host Participant Assigned Meter Reader or Market Participant, as applicable, must confirm as part of its submission of corrected data that the eligibility criteria described in Section III.3.7.6 of Market Rule 1 have been satisfied.~~

~~To the extent that a Requested Billing Adjustment for a Meter Data Error is for a Directly Metered Asset that affects multiple metering domains, all affected Host Participant Assigned Meter Readers or Assigned Meter Readers must notify the ISO prior to the forty-sixth (46th) calendar day after the Meter Data Error RBA Submission Limit that the corrected Directly Metered Asset data is acceptable to them in order for the ISO to use the corrected data in the final settlement calculations. The Host Participant Assigned Meter Reader for the Directly Metered Asset is responsible for initiating an e-mail to every affected Host Participant Assigned Meter Reader or Assigned Meter Reader in order to obtain such acceptance and shall coordinate delivery of such acceptance to the ISO. The Host Participant Assigned Meter Reader for the Directly Metered Asset is also responsible for submitting all corrected and agreed upon Directly Metered Asset data to the ISO prior to the forty-sixth (46th) calendar day after the Meter~~

~~Data Error RBA Submission Limit. After the submission of corrected meter and internal bilateral transactions data, the ISO will have a minimum of thirty (30) calendar days to administer the final settlement based on that data. The results of the final settlement will then be included in the next Invoice containing Non-Hourly Charges and the ISO will provide to the Chair of the NEPOOL Budget and Finance Subcommittee written notification that the final settlement has been administered. Administering the final settlement based on the corrected meter data completes the process for a Requested Billing Adjustment for a Meter Data Error, and the following Sections 6.3.4 through 6.5 are not applicable to a Requested Billing Adjustment for a Meter Data Error.~~

Section 6.3.4 - Comment Period. Any Covered Entity which desires to do so, or NEPOOL if it desires to do so, may submit to the ISO's designated representative, on or before the tenth (10th) Business Day following the date the ISO distributes the Notice of RBA, written comments to the ISO with respect to the Requested Billing Adjustment. Any such comments are to be transmitted simultaneously to the Disputing Party. The Disputing Party may respond to any such comments by submitting a written response to the ISO's designated representative and to the commenting party on or before the fifteenth (15th) Business Day following the date the ISO distributes the Notice of RBA. In determining the action it will take with respect to the Requested Billing Adjustment,

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the ISO shall consider the written response filed by the Disputing Party. The ISO may but is not required to consider any written comments that are filed by any other interested party.

Section 6.3.5 - ISO Action on Requested Billing Adjustment. The ISO shall provide to the Disputing Party and to the Chair of the NEPOOL Budget and Finance Subcommittee a written decision (the “RBA Decision”) accepting or denying a Requested Billing Adjustment received pursuant to this Section 6.3 within twenty (20) Business Days of the date the ISO distributes the Notice of RBA, unless some later date is agreed upon by the Disputing Party and the ISO. The ISO shall provide written notice and a copy of each RBA Decision to each Covered Entity either eligible for reimbursement, denied reimbursement of a Disputed Amount or required to provide reimbursement of a Disputed Amount because of an RBA Decision (hereafter referred to as an “Affected Party” or the “Affected Parties”) within five (5) business days of the date the RBA Decision is rendered. In providing such notice to any Affected Party required to provide reimbursement of a Disputed Amount, the ISO shall specify the amount to be reimbursed by such Affected Party and the calculations supporting the determination of such reimbursement amount. Subsequent to the provision of the written notice of the RBA Decision as set forth above, the ISO shall provide each Affected Party with respect to that

RBA Decision a monthly report of the status of such RBA Decision within the dispute resolution process set forth in this Section 6, including a statement of the accounting treatment of the disputed amount owed by or to that Affected Party with respect to that RBA Decision in accordance with the most recent decision issued pursuant to Sections 6.3.6 or 6.4 of this Policy, whichever applies, with respect to that RBA Decision. For purposes of this Section, the term “Affected Parties” shall also include the Disputing Party.

Section 6.3.6 - Finality of ISO Action on Requested Billing Adjustment. Except as otherwise provided in this Section 6.3.6, the RBA Decision shall become final and binding on the Affected Parties and shall not be appealable in any forum on the twenty-first (21st) Business Day after the notice of the specific RBA Decision at issue was provided to the Affected Parties as set forth in Section 6.3.5 above. The RBA Decision shall not become final or binding if, on or before the twentieth (20th) Business Day after the notice of the specific RBA Decision at issue was provided to the Affected Parties as set forth in Section 6.3.5 above, an Affected Party has appealed the RBA Decision by commencing a proceeding before the Commission or other regulatory or judicial authority with jurisdiction over the dispute, or has filed an appeal pursuant to Section 6.4 of this Policy. If a proceeding is commenced before the Commission or other regulatory

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or judicial authority with jurisdiction over the dispute, the Affected Party commencing that proceeding shall simultaneously transmit a copy of its initial pleading in that proceeding to the ISO's designated representative for that particular RBA Decision, and to the Chair of the NEPOOL Budget and Finance Subcommittee and shall also submit to the ISO's designated representative for that particular RBA a copy of the final order or decision in that proceeding resolving the dispute. If any such appeal is filed pursuant to Section 6.4 of this Policy, the RBA Decision shall have no force or effect unless or until it is affirmed or upheld upon completion of the appeal process selected by the Affected Party and as provided for in this Policy.

Section 6.4 - Right of Affected Party to Review of ISO RBA Decision by AAA.

Section 6.4.1 - Right to Further Review. An Affected Party may seek review of an RBA Decision by an independent third party neutral by submitting, on or before the twentieth (20th) Business Day after the notice of the specific RBA Decision at issue was provided to the Affected Parties as set forth in Section 6.3.5 above, a request for arbitration of the Requested Billing Adjustment with the American Arbitration Association ("AAA"). At the same time that it submits its request to the AAA, the Affected Party commencing any such review of an RBA Decision shall transmit its request for arbitration: (i) to the ISO's

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designated representative for that particular RBA Decision; and (ii) to each of the Affected Parties; and (iii) to the Chair of the NEPOOL Budget and Finance Subcommittee. The ISO and any Affected Party shall be joined as parties to the arbitration. NEPOOL and other Covered Entities shall be permitted to intervene in the arbitration if they desire to do so.

Section 6.4.2 - Finality of the AAA Neutral's Decision. Except as otherwise provided in this Section 6.4.2, the written, final decision of the AAA neutral (the "Neutral's Decision") shall become final and binding on the Affected Parties, including the ISO, and shall not be appealable in any forum on the twenty-first (21st) Business Day after the date on which the Neutral's Decision was issued. The Neutral's Decision shall not become final or binding if on or before the twentieth (20th) business day after the date on which the Neutral's Decision was issued, an Affected Party or Parties or the ISO has appealed the Neutral's Decision by commencing a proceeding before the Commission or other regulatory or judicial authority with jurisdiction over the dispute. If any such appeal is filed, the Neutral's Decision shall have no force or effect unless or until it is affirmed or upheld upon completion of the appeal process.

Section 6.5 - Access to Confidential Information. Information that is deemed confidential pursuant to the ISO New England Information Policy in the possession, custody or control of the ISO concerning the dollar amount in Invoices or Remittance Advices issued by the ISO (“Confidential Information”) shall be made available under these Billing Dispute Procedures only to “Dispute Representatives” as defined herein who have executed a confidentiality agreement in accordance both with this Section 6.5 and the ISO New England Information Policy in the form of Attachment 1 hereto (“Confidentiality Agreement”). A copy of the executed Confidentiality Agreement for a Dispute Representative shall be provided to the ISO prior to the disclosure of any Confidential Information to said Dispute Representative. Confidential Information shall not be disclosed to anyone other than in accordance with this Section 6.5, and shall be used only in connection with the Billing Dispute Procedures provided under this Section 6.

- a) Potential Disputing Parties’ Right of Access to Confidential Information. A Market Participant, PTO or Non-Market Participant Transmission Customer that is a potential Disputing Party is entitled to obtain access to Confidential Information for its Dispute Representative, if and only if, it can demonstrate to the ISO that such access is required to determine if it has a substantive basis for filing a Requested Billing Adjustment with the ISO. Such demonstration by a potential

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Disputing Party, at a minimum, shall include: the information submitted to the Chief Financial Officer of the ISO required in Section 6.3.1; and, why lack of access to Confidential Information prevents the potential Disputing Party from determining if it has a substantive basis for filing such a Requested Billing Adjustment. A potential Disputing Party shall submit a request for access to Confidential Information in writing to the ISO (an “Information Request”). The ISO shall evaluate and respond to such an Information Request within ten (10) days of the receipt of the Information Request, and where the need for access to Confidential Information is demonstrated in accordance with the above, shall provide access to such Confidential Information within fifteen (15) days of the receipt of the Information Request.

- b) Affected Parties Right of Access to Confidential Information. If the RBA Decision is submitted to the AAA for resolution pursuant to Section 6.4, then for purposes of that AAA proceeding a Market Participant or Non-Market Participant Transmission Customer that is an Affected Party is entitled to obtain access to Confidential Information for its Dispute Representative if, and only if, it can demonstrate to the AAA Neutral that such access is required to protect its financial interests with respect to review of an RBA Decision pending before the

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Neutral. An Affected Party shall submit a request for access to Confidential Information concerning an RBA Decision within the timeframes established by the Neutral. The Neutral shall have the authority to enter such orders as may be necessary to protect the Confidential Information, in accordance with applicable ISO policies including but not limited to the ISO New England Information Policy.

- c) Dispute Representatives. Dispute Representatives shall be limited to the AAA Neutral(s), Covered Entities and third parties retained by and/or in-house legal counsel of the AAA or Covered Entities; provided, however, that Confidential Information may not be disclosed to a Dispute Representative to the extent the disclosure is prohibited by Order 889. A Dispute Representative may disclose Confidential Information to any other Dispute Representative as long as the disclosing Dispute Representative and the receiving Dispute Representative each have executed a Confidentiality Agreement. In the event that any Dispute Representative to whom Confidential Information is disclosed ceases to be engaged in a matter under these Billing Dispute Procedures, or is no longer qualified to be a Dispute Representative under this Section, access to Confidential Information by that person, or persons, shall be terminated and all such

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Confidential Information received by that party shall be returned to the ISO or destroyed to the satisfaction of the ISO. Even if no longer engaged as a Dispute Representative under this Section, every person who has executed a Confidentiality Agreement shall continue to be bound by the provisions of this Section and such Confidentiality Agreement. All Dispute Representatives are responsible for ensuring that persons under their supervision or control comply with this Section and the Confidentiality Agreement.

- d) Maintenance of Confidential Information. All copies of all documents and materials containing Confidential Information shall be maintained by Dispute Representatives at all times in a secure place in sealed envelopes or other appropriate containers endorsed to the effect that they are sealed pursuant to this Section. Such documents and material shall be marked **PROTECTED CONFIDENTIAL INFORMATION** and shall be maintained under seal and provided only to Dispute Representatives as are authorized to examine and inspect such Confidential Information. Dispute Representatives shall provide to the ISO a list of those persons under the supervision and/or control of the Dispute Representative who are entitled to receive Confidential Information. Dispute

Representatives shall take all reasonable precautions to ensure that Confidential Information is not distributed to unauthorized persons.

- e) ISO Right to Object to Access to Confidential Information. Nothing in this Section shall be construed as precluding the ISO from objecting to providing any party access to Confidential Information on any legal grounds other than those provided under the ISO New England Information Policy, as it may be amended time to time.