

SCHEDULE 24

Local Balancing Authority Cost Recovery

I. RECOVERY OF COSTS BY LOCAL BALANCING AUTHORITIES

1.1 Applicability: Entities that have not signed the Balancing Authority Agreement, as may be amended from time to time, are not eligible for the cost recovery described in this Schedule 24.

1.2 Costs To Be Recovered: Pursuant to this Schedule 24, Local Balancing Authorities shall recover their costs incurred as a result of implementing the Markets and Services pursuant to this Tariff (“Local Balancing Authority Costs”). These Local Balancing Authority Costs include daily operation and maintenance costs, administrative and general costs, capital costs, costs for systems-in-place, training of personnel, and any costs that result from the performance of obligations imposed by this Tariff on Local Balancing Authorities; provided, however, that all costs to be recovered under this Schedule must be related to Local Balancing Authority actions in performing obligations under this Tariff and in implementing this Tariff and shall not include any costs reimbursed by the Transmission Provider to Local Balancing Authorities or costs otherwise recovered under this Tariff.

1.3 Rate Design for Cost Recovery by Local Balancing Authorities: For the purposes of allocating and collecting these costs, the Local Balancing Authority Costs shall be recovered together with the Schedule 17 costs and in the same manner as the Schedule 17 costs.

1.4 Accounting: Each Local Balancing Authority shall maintain account(s) which allow the costs to be recovered to be readily identified and audited.

1.5 Data Submission and Timelines: The deadlines for data submissions and any necessary filing(s) that require resolution by the Commission shall be as provided in Schedule 24-A.

II. BILLING AND PAYMENT

2.1 Billing and Payment. The Transmission Provider shall bill the appropriate entities under this Schedule 24. The billing and payment provisions of Section 7 of this Tariff shall apply, provided, however, to the extent that there is an issue with regard to the payment by the appropriate entities, the Local Balancing Authority shall possess the right to enforce the obligations under this Schedule and to seek all appropriate relief. Once the Transmission Provider receives payment from the appropriate entities, it shall remit the payment to the appropriate Local Balancing Authority.