



**Public Service
Commission**

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Rory M. Christian, Chair

Contact:

Kim Mashke | Kim.Mashke@dps.ny.gov | (518) 474-7080

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PSC Initiates Proceeding to Examine Utilities' Estimated Billing Practices **Proceeding Will Also Review Impact of Smart Meters on the Frequency of Estimated Billing**

ALBANY – The New York State Public Service Commission (Commission) today initiated a proceeding to review the practices and procedures associated with estimated billing among the state's utility corporations providing electric, gas, steam, and water service and municipal utilities providing electric and gas service. The proceeding will consider whether any modifications or improvements to the utilities' practices and procedures may be needed and will examine the utilities' actual practices when issuing estimated bills. The proceeding will also evaluate the impact of smart meters, known as Advanced Metering Infrastructure (AMI) or Automated Meter Reading (AMR), on the utilities' reliance on and frequency of estimated billing.

In December 2025, Governor Hochul directed the Department of Public Service (DPS) to examine the procedures that utility corporations and municipalities use to calculate estimated bills and whether improvements to those procedures are warranted, whether the distribution of smart meters in service territories reduces the need for estimated billing, how utility corporations and municipalities address barriers to obtaining an actual meter reading, the incidence of estimated bills being issued in a particular service territory, and whether additional limitations, consequences, refunds, or penalties against utilities are needed to enforce requirements regarding estimated billing.

"It is a basic requirement for utilities to provide accurate bills to their customers," **said Commission Chair Rory M. Christian**. "Governor Hochul's direction to review estimated billing practices of the State's utilities will further her broader energy agenda to improve affordability and customer experience."

The methodologies by which utilities and municipalities estimate bills have been the subject of several proceedings, and the Commission has recently addressed petitions from some utilities to alter their estimated billing methodologies. Such reviews have been conducted on an individual utility basis, and this proceeding presents an opportunity to review all utilities' estimation methodologies collectively.

Pursuant to Public Service Law (PSL), utilities and municipalities may render an estimated bill to residential electric, gas, or steam customers in specified circumstances if the procedure used by such

utility for calculating estimated bills has been approved by the Commission and the bill clearly indicates that it is based on an estimated reading. The Commission finds that basing bills for utility service on actual meter readings that reflect actual customer usage is in the public interest, but acknowledges that utilities and municipalities can encounter obstacles to obtaining an actual meter reading, such as severe weather or access to the meter. In instances in which a bill must rely on an estimate of usage, the Commission has further explained that more accurate estimation methodologies based on more detailed data are preferable to less accurate methodologies.

The Commission has observed that some utilities' reliance on estimated billing may be higher or for a longer duration than is necessary. Reliance on estimated bills should be limited, and any estimated bills must be calculated in a transparent manner that results in a reasonable estimate of customers' usage.

Within 30 days of the initiated proceeding, the utilities are directed to provide their current Commission-approved methodologies for calculating estimated bills, current procedures for obtaining an actual meter reading, the number of estimated bills issued both as a total number and as the percentage of total bills for each of the past ten years, and the number of AMI and/or AMR meters both as a total number and as a percentage of the total number of meters throughout the service territory for each of the previous ten years.

Within 180 days following submission of utility responses to the above, DPS Staff is directed to file a report for public comment with recommendations. The report will include the following elements:

- An examination of the utilities' and municipalities' policies and procedures for obtaining actual meter readings and relying on estimates of customer usage for billing;
- An examination of the barriers to obtaining actual meter reads and how the utilities and municipalities currently address such barriers;
- An analysis of the frequency of estimated billing and the root causes for it;
- An examination of how the utilities and municipalities ensure the accuracy of their records of the reason for failing to obtain an actual meter reading;
- A review of the prevalence of AMI or AMR in utility service territories and the impact of using such technology on the frequency of estimated billing;
- An examination of the adequacy and reasonableness of the methodologies the utilities use to calculate estimated bills;
- Recommendations for Commission consideration to improve the utilities' policies, procedures, methodologies, and practices regarding obtaining actual meter readings and estimated billing; and
- An assessment of whether additional actions, limitations, consequences, refunds, or penalties are needed to address estimated billing.

Documents regarding this proceeding may be obtained by going to the Search section of the Commission's Web site at www.dps.ny.gov, under 'Commission Files', and entering Case Number 26-M-0425 in the input box labeled "Search by Case Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release. For more information, you may also visit your service provider's website.