STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on July 16, 2026

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

CASE 26-M-0425 - Proceeding on Motion of the Commission to Review of Utility Estimated Billing Procedures and Practices.

ORDER INSTITUTING PROCEEDING

(Issued and Effective July 16, 2026)

BY THE COMMISSION:

INTRODUCTION

Every month, millions of New Yorkers receive and pay bills for electric, gas, steam, and water utility services. It is imperative that those bills be based on accurate measurements of customers' energy and water usage. This is best done by each utility ensuring it has an actual reading of customers' usage for each bill it sends. The Public Service Commission (Commission) recognizes, however, that utilities must, at times, send bills to customers based on estimates of those customers' usage. The Public Service Law (PSL) and provisions of Commission regulations set forth conditions under which a utility can issue a bill based on estimated usage.[1] Estimated

[1] PSL §39; 16 NYCRR §§11.13, 13.8, 14.12.

bills, which are not based on a measurement of customers' actual consumption during the specific billing period in question, necessarily call into question whether utilities or municipalities are accurately billing, and customers are paying, for the amount of services provided.

We have observed that some utilities' reliance on estimated billing may be higher or for a longer duration than is necessary. Utilities' reliance on estimated bills should be limited, and any estimated bills need to be calculated in a transparent manner that results in a reasonable estimate of customers' usage.

It is appropriate to review utilities' estimated billing procedures and practices to ensure they comply with existing requirements. Further, we take this opportunity to consider whether any modifications or improvements to the utilities' practices and procedures, and the Commission's requirements, may be needed. Therefore, the Commission commences this proceeding to review the practices and procedures associated with estimated billing among the State's electric, gas, steam, and water corporations and municipalities providing electric and gas service, as listed in the Appendix to this Order.

BACKGROUND

Pursuant to Public Service Law (PSL) §39(1)(a) and the Commission's regulations at 16 NYCRR §11.13, 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. For non-residential electric, gas, or steam customers, 16 NYCRR §13.8

allows a utility to render an estimated bill under certain circumstances, such as failure to access the meter or circumstances beyond the utility’s control, and requires that estimated bills be calculated in accordance with an established formula that uses the best available information to make an estimate. Similarly, 16 NYCRR §14.12, which is applicable to residential water service from utilities with more than $250,000 in revenues, permits water utilities to issue estimated bills under particular circumstances in accordance with an established formula that uses the best available information to make an estimate.

In recent years, the Commission has authorized a number of utilities to rollout Advanced Metering Infrastructure (AMI).[2] Potentially, AMI[3] and AMR[4] can serve to reduce barriers to utilities obtaining actual meter readings from customers, and thus can minimize their reliance on estimated billing. Utilities can and have recovered the costs of such upgrades in the rates paid by customers. This proceeding offers an opportunity to evaluate the impact of AMI on utilities ability

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[2] See, e.g., Cases 17-E-0238 and 17-G-0239, Niagara Mohawk Power Corporation d/b/a National Grid – Electric and Gas Rates, Order Authorizing Implementation of Advanced Metering Infrastructure with Modifications (issued November 20, 2020).

[3] See, e.g., Cases 15-E-0050 et al., Consolidated Edison Company of New York, Inc. – Electric and Gas Rates, Order Approving Advanced Metering Infrastructure Business Plan Subject to Conditions (issued March 17, 2016), p. 7 (acknowledging that Con Edison counts a reduction is estimated bill disputes as a benefit of AMI). The estimated billing data appears to reflect this. See Table 1, infra.

[4] Cases 94-E-0952 et al., In the Matter of Competitive Opportunities Regarding Electric Service, Order Relating to Gas Metering Services (issued August 1, 2006), p. 23 (describing reduced estimated billing as a benefit of AMR adoption).

to obtain actual meter readings and their reliance on estimated billing.

On December 5, 2025, Governor Kathy Hochul vetoed S.2182-A, which would have amended PSL §39 to prohibit utility corporations and municipal utilities from issuing consecutive estimated bills. Governor Hochul's veto message No. 83 supported the limited use of estimated bills and directed the Department of Public Service (DPS) to examine the estimated billing practices of utility corporations and municipal utilities. Specifically, Governor Hochul required the proceeding to include: (1) an examination of the procedures utility corporations and municipalities are using to calculate estimated bills and whether improvements to those procedures are warranted; (2) whether the distribution of smart meters[5] in service territories reduces the need for estimated billing; (3) an examination of how utility corporations and municipalities address barriers to obtaining an actual meter reading; (4) the incidence of estimated bills being issued in a particular service territory; and (5) whether additional limitations, consequences, refunds, or penalties against utilities are needed to enforce requirements regarding estimated billing.[6]

LEGAL AUTHORITY

As discussed above, the Commission has substantial authority and oversight over billing practices for gas, electric, steam, and water service pursuant to PSL §39, and 16 NYCRR §§11.13, 13.8, and 14.12. More fundamentally, the Commission has a statutory responsibility to ensure safe and

[5] This includes AMI and Automated Meter Reading (AMR).

[6] 2025 Governor's Veto Message No. 83.

reliable service at just and reasonable rates.[7] Pursuant to this responsibility, utilities have the obligation to bill for services provided,[8] and the Commission has consistently held that customers have the obligation to pay for utility services received.[9]

DISCUSSION

The Commission finds that basing bills for utility service on actual meter readings that reflect actual customer usage is in the public interest. Confirmed measurements of actual usage or demand provide a superior information foundation compared to estimates.[10] Importantly, basing bills on accurate information ensures that customers can be confident that what they are paying is appropriate for the services they used. The Commission acknowledges that utilities and municipalities can encounter obstacles to obtaining an actual meter reading, such as severe weather or access to the meter. An actual meter

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7 PSL §65 (gas and electric service); PSL §79 (steam service); PSL §89-b (water service).

8 See generally PSL §65 and Rochester Gas & Elec. Corp. v. Greece Park Realty Corp., 195 A.D.2d 956, 957 (4th Dep't 1993) ("[Utility] would be in violation of its statutory duty if it failed to pursue recovery for utility services furnished ...."); Capital Properties Co. v. Pub. Serv. Comm'n, 91 A.D.2d 726, 728(3d Dep't 1982) ("Any deviations from such legal obligation are in contravention of law unless they fall within the exception of [PSL §66(12)] ....").

9 E.g., Case 17-G-0005, Appeal by Green Park Sussex, Inc. of the Informal Decision Rendered in Favor of Consolidated Edison Company of New York, Inc., Commission Determination (issued November 21, 2017).

10 E.g., Case 28713, Proceeding Regarding the Adoption of 16 NYCRR Part 13, Memorandum, Order and Resolution (issued September 22, 1987) ("the goal of [16 NYCRR §13.8] is to ensure that whenever possible, customers receive bills based on actual meter readings.").

reading reflecting actual usage is thus not always possible. In those instances where 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.[11] Just as basing bills on actual meter readings that reflect actual usage is in the public interest, so too is using accurate estimation methodologies where actual meter readings are not possible.

The methodologies by which utilities and municipalities estimate bills have been the subject of several proceedings. For example, the Commission has recently addressed petitions from some utilities to alter their estimated billing methodologies, including Orange and Rockland Utilities, Inc. (Orange and Rockland) and Consolidated Edison Company of New York, Inc. (Con Edison);[12] Central Hudson Gas & Electric Corporation (Central Hudson);[13] and Niagara Mohawk Power Corporation d/b/a National Grid (NMPC).[14] However, such review

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[11] Id.; Case 21-E-0141, Appeal by Bay Park Two/Grenadier Realty Corp. of the Informal Decision Rendered in Favor of Consolidated Edison Company of New York, Inc., Commission Determination (issued April 19, 2022); Case 21-E-0163, Appeal by Morris Avenue Owners/Wavecrest Management G590 of the Informal Decision Rendered in Favor of Consolidated Edison Company of New York, Inc., Commission Determination (issued August 16, 2022), p. 10.

[12] Cases 17-M-0419 and 17-M-0520, Orange and Rockland Utilities, Inc. and Consolidated Edison Company of New York, Inc. – Bill Estimation Procedure, Order Amending Residential Bill Estimation Procedures for Customers with Advanced Metering Infrastructure Meters (issued September 14, 2018).

[13] Case 21-M-0045, Central Hudson Gas and Electric Corporation – Bill Estimation Procedure, Order Approving Revised Bill Estimation Methods (issued August 16, 2021).

[14] Case 23-M-0658, Niagara Mohawk Power Corporation d/b/a National Grid – Bill Estimation Procedures, Order Approving Revised Bill Estimation Methods (issued June 12, 2025).

has been conducted on an individual utility basis. This proceeding presents an opportunity to review all utilities' estimation methodologies holistically.

This proceeding also presents an opportunity to examine the utilities' actual practices when issuing estimated bills. The largest electric and gas corporations file monthly Customer Service Performance Indicator (CSPI) reports as required by the Commission in its Order Adopting Revisions to Customer Service Reporting Metrics issued in Case 15-M-0566.[15] These monthly reports include the number of scheduled meter readings, the number of estimated bills, and the percentage of estimated bills, calculated by dividing the number of estimated bills by the number of scheduled reads. From 2020 through 2025, National Fuel and the National Grid companies have had the highest levels of estimated bills, with National Fuel maintaining the highest percentage of the reporting utilities. National Fuel has maintained consistently high levels of estimated bills, although its reliance on them has decreased since 2020, with estimated bills comprising 18.32 percent of its bills in 2020 and 10.88 percent in 2025. The National Grid companies have shown a steady increase in their percentage of estimated bills year-over-year. Of the National Grid companies, KEDNY's reliance on estimated bills increased the most, from 4.11 percent in 2020 to 9 percent in 2025. Orange & Rockland's

[15] Case 15-M-0566, In the Matter of Revisions to Customer Service Performance Indicators Applicable to Gas and Electric Corporations, Order Adopting Revisions to Customer Service Reporting Metrics (issued August 4, 2017). The utilities that submit monthly CSPI reports are: Central Hudson; Con Edison; NMPC, The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), and KeySpan Gas East Corporation d/b/a National Grid (KEDLI) (collectively, National Grid); National Fuel Gas Distribution Corporation (National Fuel); New York State Electric & Gas Corporation (NYSEG); Orange and Rockland; and Rochester Gas and Electric Corporation (RG&E).

estimated bill levels have remained low, but fluctuated after a decrease between 2020 and 2021. As shown in the below chart, Central Hudson, Con Edison, NYSEG, and RG&E, on the other hand, have all shown improvement in their estimated bills levels since 2020, with NYSEG and RG&E showing the most significant improvement.

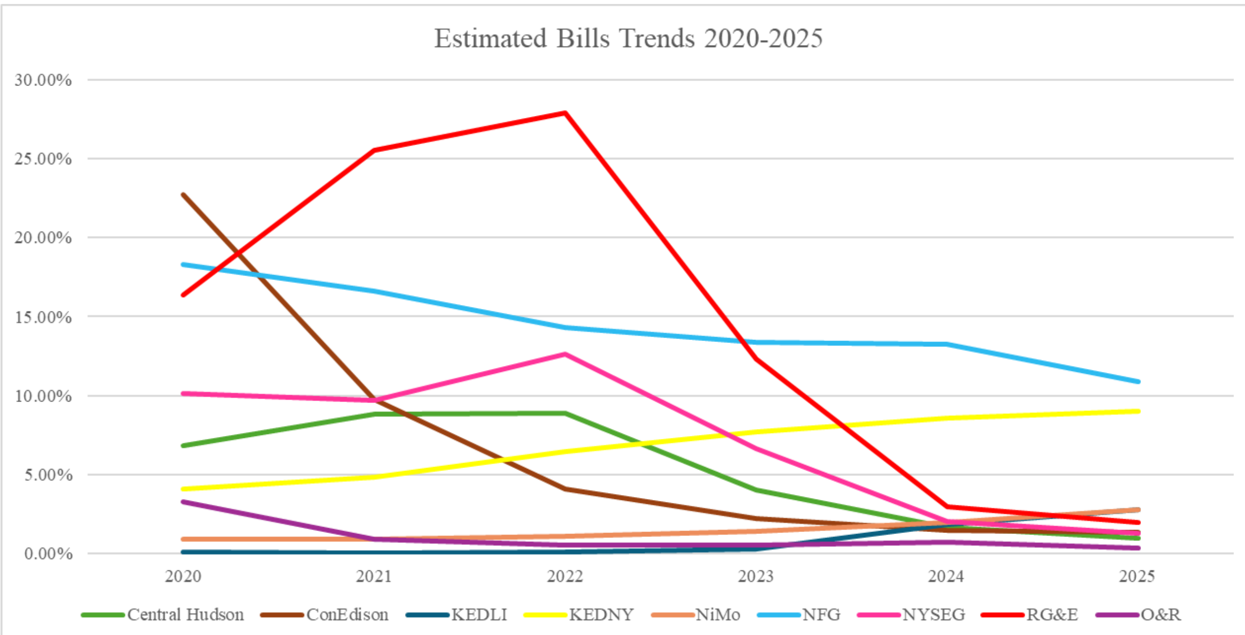

Table 1 – Estimated Bills

Estimated bills directly impact customers, as customer complaint data illustrates. Between June 2023 and June 2026, the Commission received a total of 1,488 initial complaints related to estimated bills across all regulated utilities, 128 of which were escalated due to the utility failing to satisfy the customers' complaint. Utility companies should avoid overreliance on estimated bills.

Pursuant to the foregoing and in accordance with the Governor's directive, we direct DPS staff to conduct an examination of the procedures, methodologies, and practices of each of the utilities identified in the appendix to this Order with respect to estimated billing. DPS staff shall file its report and any resulting recommendations for public comment within 180 days of utility responses to the directives below and in Ordering Clauses 2 and 3. The examination and report will address the following:

a) An examination of the utilities' and municipalities' policies and procedures for obtaining actual meter readings and relying on estimates of customer usage for billing;

b) An examination of the barriers to obtaining actual meter reads and how the utilities and municipalities currently address such barriers;

c) An analysis of the frequency of estimated billing and the root causes for it;

d) 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;

e) 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;

f) An examination of the adequacy and reasonableness of the methodologies the utilities use to calculate estimated bills;

g) Recommendations for Commission consideration to improve the utilities policies, procedures, methodologies, and practices regarding obtaining actual meter readings and estimated billing;

h) An assessment of whether additional actions, limitations, consequences, refunds, or penalties are needed to address estimated billing.

To ensure that DPS staff has a robust set of data and information to review,[16] and to ensure that all relevant information is available to impacted persons, we direct each of the utilities and municipalities listed in the Appendix to file with the Secretary to the Commission within 30 days of this Order, their respective current methodologies for calculating estimated bills, together with evidence of Commission approval.

[16] The Commission anticipates that DPS staff will require additional information from the utilities as staff develops its report and recommendations.

Additionally, the Large Investor-Owned Utilities designated in the Appendix are directed to file with the Secretary of the Commission within 30 days of this Order:

a) Current procedures for obtaining an actual meter reading and any other procedures related to estimated billing;
b) The number of estimated bills issued as a total number and as the percentage of total bills for each year for the past 10 years; and
c) The number of AMI and/or AMR meters (specifying each separately) as a total number and as a percentage of the total number of meters throughout the service territory each year for the previous 10 years.

CONCLUSION

The Commission institutes this proceeding to examine the procedures and practices of the State's electric, gas, steam, and water utilities and municipalities regarding estimated billing. The goals of this proceeding are to ensure that such procedures and practices comply with applicable legal requirements and to identify reasonable, cost-effective improvements that may enhance those procedures and minimize the incidence of estimated billing in.

The Commission orders:

1. A proceeding is instituted to examine the processes, procedures, methodologies, and practices associated with estimated billing of the electric, gas, steam, and water utilities listed in the Appendix to this Order.

2. The utilities and municipalities listed in the Appendix to this Order are directed to file with the Secretary to the Commission within 30 days of this Order: (1) current methodologies for calculating estimated bills, together with

evidence of Commission approval; and (2) current procedures for obtaining an actual meter reading.

3. The Large Investor-Owned Utilities designated in the Appendix to this Order are directed to file with the Secretary to the Commission within 30 days of this Order: (1) current procedures for obtaining an actual meter reading and any other procedures related to estimated billing; (2) the number of estimated bills issued as a total number and as the percentage of total bills for each year for the past 10 years; and (3) the number of AMI and/or AMR meters (specifying each separately) as a total number and as a percentage of the total number of meters throughout the service territory each year for the previous 10 years.

4. Department of Public Service staff is directed to conduct an examination concerning utility estimated billing and to file a report with any appropriate recommendations, as described in the body of this Order. Department of Public Service staff shall file the report with the Secretary to the Commission within 180 days following submission of utility responses to Ordering Clause 2 of this Order.

5. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

6. This proceeding is continued.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary

APPENDIX

Large Electric, Gas, Steam, and Water Investor-Owned Utility Corporations (Large Investor-Owned Utilities)

Central Hudson Gas & Electric Corporation
Consolidated Edison Company of New York, Inc.
KeySpan Gas East Corporation d/b/a National Grid
Liberty Utilities (New York Water) Corporation
Liberty Utilities (St. Lawrence Gas) Corporation
National Fuel Gas Distribution Company
New York State Electric & Gas Corporation
Niagara Mohawk Power Corporation d/b/a National Grid
Orange and Rockland Utilities, Inc.
Rochester Gas and Electric Corporation
The Brooklyn Union Gas Company d/b/a National Grid NY
Veolia Water New York, Inc.

Electric and Gas Utility Corporations with Fewer Than 25,000 Customers

Chautauqua Utilities, Inc.
Corning Natural Gas Corporation
Fillmore Gas Company
Fishers Island Electric Corporation
N.E.A. Cross of NY, Inc.
Pennsylvania Electric Company
Reserve Gas Company
Valley Energy

Municipal Electric and Gas Utilities

Bath Electric, Gas, & Water
City of Jamestown
Frankfort Power & Light
Hamilton Municipal Utilities
Mohawk Municipal Commission
Municipal Commission of Boonville
Penn Yan Municipal Utilities Board
Plattsburgh Municipal Lighting Department
Salamanca Board of Public Utilities
Village of Akron
Village of Andover
Village of Angelica
Village of Arcade
Village of Bergen
Village of Brocton
Village of Castile
Village of Churchville
Village of Endicott

Village of Fairport
Village of Freeport
Village of Greene
Village of Groton
Village of Holley
Village of Ilion, Light Dept
Village of Little Valley
Village of Philadelphia
Village of Richmondville
Village of Rockville Centre
Village of Rouses Point
Village of Silver Springs
Village of Skaneateles
Village of Solvay
Village of Spencerport
Village of Springville
Village of Theresa
Village of Wellsville
Village of Westfield
Woodhull Municipal Gas

Small Water Utilities with Annual Revenues over $250,000[1]

Emerald Green Lake Louise Marie Water Company, Inc.
Fishers Island Water Works Corp.
Heritage Springs Water Works, Inc.
Kiamesha Artesian Spring Water Co., Inc.
Rolling Meadows Water Corporation
Saratoga Glen Hollow Water Supply Corp.
Sleepy Hollow Lake Water Company, Inc. (Homeowners Association)
Warwick Water Corporation

[1] Although Faun Lake Association Inc. and Shelter Island Heights Property Owners Corp. meet the revenue requirements of 16 NYCRR §14, they do not utilize meters and instead charge their customers a flat rate. Therefore, these two utilities are not included in the examination being undertaken in this proceeding.