



NEW YORK STATE SENATOR

Michelle Hinchey

Hinchey and Jacobson Pass Legislation to Curb Estimated Billing by Utility Companies

OFFICE OF NYS SENATOR MICHELLE HINCHEY June 21, 2024



ALBANY, NY — Prior to [yesterday's decision by the Public Service Commission \(PSC\)](#) ordering Central Hudson Gas & Electric to absorb up to \$64.59 million in costs from its 2021 billing system failure, Senator Michelle Hinchey and Assemblyman Jonathan Jacobson passed legislation, [S1851B/A888C](#), to curb estimated billing by the Company and all utilities serving New York. The legislation, authored in 2021 in response to Central Hudson's billing debacle, was the first major action introduced in the State Legislature to address the issue directly.

An estimated utility bill occurs when a supplier predicts and charges a customer's power consumption based on past usage rather than an actual meter reading for that month. As a result of Central Hudson's estimated readings, thousands of Hudson Valley residents have received inaccurate bills and excessive month-to-month fluctuations, which have posed a financial hardship for many. As part of the PSC's stipulations announced on Thursday, Central Hudson must read meters on a monthly basis by October 31, 2024, or pay up to \$2 million for each month of delay.

Senator Michelle Hinchey said, "Utility companies must be required to provide customers with an accurate bill and should never be allowed to depend on estimated billing, a practice that's caused families and small businesses severe financial stress, making it difficult for people to budget effectively. Our bill will finally bring an end to this billing practice and create much-needed transparency in the utility industry at large in New York. We introduced this legislation in 2021 at the outset of Central Hudson's billing debacle, and I'm proud that it finally passed both the Senate and Assembly this year. We hope the Governor will quickly sign it into law and deliver much-needed relief and security to ratepayers across our communities."

Assemblyman Jonathan Jacobson said, "The only thing worse than receiving your utility bill is receiving an unexpected extremely high bill because it is estimated or because the previous estimated bills were too low and when the meter was finally read, the bill is very high to make up for the past low estimates. Your utility bill should be timely and not be a mystery. The two bills we passed this session do just that."

[S1851B/A888C](#) would require utilities to perform actual meter readings unless they can't access a meter due to circumstances beyond their control, such as extreme weather. The bill would also require the PSC to develop a model estimation formula based on a review of the

estimated billing procedures used by all utility companies serving New York while limiting the number of times estimated billing can be used to three billing cycles per year (down from six).

Hinchey and Jacobson previously passed a significant utility reform bill ([S4234/A4055](#)) limiting late billing, which the governor has signed into law. According to the new law, utilities like Central Hudson cannot back bill if they send a bill more than three months after its due date. Additionally, utilities must provide customers with usage records for the past 13 months, including information from prior customers at that address. This provision allows customers to compare their bill with a similar period to determine if they're being overcharged.

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