

STATE OF NEW YORK

10764

IN ASSEMBLY

April 1, 2026

Introduced by M. of A. BLUMENCRANZ -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to establishing utility billing integrity requirements and consumer protections through anomaly detection, advanced data analytics, and the usage of artificial intelligence

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "utility billing integrity act."

3 § 2. Legislative intent. The legislature hereby finds and declares
4 that:

5 1. New York ratepayers are increasingly burdened by inaccurate,
6 delayed, and unpredictable utility billing, including but not limited to
7 estimated billing practices, retroactive backbilling, and unexplained
8 spikes in charges;

9 2. Existing consumer protection mechanisms are largely reactive in
10 nature, requiring customers to identify, dispute, and resolve billing
11 errors only after financial harm has occurred;

12 3. Utility billing systems are complex, opaque, and often inaccessible
13 to the average consumer, placing an unreasonable burden on ratepayers to
14 detect inaccuracies;

15 4. Evidence from consumer protection organizations demonstrates that
16 billing errors, including backbilling and estimated usage discrepancies,
17 can result in significant and unexpected financial obligations for
18 customers;

19 5. Broader utility billing analysis further suggests that overbilling
20 due to errors, misapplied rates, and inaccurate metering is widespread
21 and frequently undetected;

22 6. At the same time, modern utility infrastructure, including advanced
23 metering systems and data analytics capabilities, provides utilities
24 with the tools necessary to identify anomalies, detect irregularities,
25 and prevent billing errors prior to issuing charges to consumers;

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 7. It is the intent of the legislature to require the use of such
2 technologies in a manner that enhances consumer protection, promotes
3 billing accuracy, and restores public confidence in utility billing
4 practices;

5 8. The legislature further intends to ensure that no residential
6 customer is subject to late fees, service termination, or collection
7 activity based on a bill that has not been verified for accuracy; and

8 9. The legislature further finds that creating additional layers of
9 bureaucracy without addressing the root causes of billing inaccuracies
10 will not provide meaningful or timely relief to consumers, and that
11 systemic, preventative solutions are necessary to ensure affordability
12 and fairness.

13 § 3. The public service law is amended by adding a new section 65-c to
14 read as follows:

15 § 65-c. Utility billing integrity and consumer protection require-
16 ments. 1. For the purposes of this section, the following terms shall
17 have the following meanings:

18 (a) "Utility" shall mean any electric, gas, or combination utility
19 subject to the jurisdiction of the public service commission.

20 (b) "Anomaly detection system" shall mean a system, including but not
21 limited to advanced analytics, machine learning, or artificial intelli-
22 gence, used to identify irregularities, inconsistencies, or deviations
23 in customer billing data.

24 (c) "Billing anomaly" shall mean a material deviation in a customer's
25 utility bill that may indicate an error, including but not limited to
26 abnormal usage spikes, discrepancies between estimated and actual meter
27 readings, misapplied rates or tariffs, or irregular billing patterns.

28 (d) "Residential customer" shall mean a customer receiving utility
29 service for personal, family, or household use.

30 2. (a) Every utility shall implement and maintain a billing integrity
31 program utilizing anomaly detection systems to review all residential
32 utility bills prior to issuance.

33 (b) Such systems shall, at a minimum, analyze:

34 (i) historical usage patterns;

35 (ii) seasonal and weather-related variations;

36 (iii) meter reading data, including distinctions between estimated and
37 actual readings;

38 (iv) applicable rate classifications and tariffs; and

39 (v) month-to-month and year-to-year usage deviations.

40 3. (a) Any residential bill identified as containing a billing anomaly
41 shall be subject to additional review prior to issuance.

42 (b) No such bill shall be issued as a final charge until:

43 (i) the anomaly has been reviewed by qualified personnel; and

44 (ii) any identified error has been corrected.

45 4. (a) Where a billing anomaly is identified, the utility shall
46 provide prompt notice to the customer that the bill is under review.

47 (b) During the review period:

48 (i) no late fees shall be assessed;

49 (ii) no service termination proceedings shall be initiated; and

50 (iii) no negative credit reporting or collection activity shall occur.

51 (c) The utility shall complete its review within a reasonable period
52 of time, not to exceed ten business days, unless otherwise authorized by
53 the commission.

54 5. (a) Where a customer's projected or actual bill exceeds a threshold
55 established by the commission, the utility shall provide advance notice
56 to the customer.

(b) Such notice shall include, but not be limited to:
(i) a clear explanation of the increase;
(ii) options for review or dispute; and
(iii) information regarding available assistance programs, where applicable.

6. (a) Any residential customer may request a billing review where such customer reasonably believes a billing anomaly exists.
(b) Upon receipt of such request, the utility shall:
(i) suspend any adverse action, including late fees, collections, or service termination;
(ii) conduct a review consistent with subdivision three of this section; and
(iii) provide a written determination to the customer within ten business days.
(c) The commission shall establish procedures to ensure such requests are accessible, timely, and transparent.

7. (a) Where a billing error is identified, the utility shall promptly correct such error.
(b) Any overcharge shall be automatically credited or refunded to the customer in a timely manner.
(c) The commission may establish additional requirements for interest, penalties, or credits associated with such overcharges.

8. (a) Each utility shall submit quarterly reports to the commission detailing:
(i) the number of billing anomalies detected;
(ii) the number of confirmed billing errors;
(iii) the average time to resolution;
(iv) the total amount credited or refunded to customers; and
(v) such other metrics as the commission may require.
(b) The commission shall make such reports publicly available in an aggregated and anonymized format.
(c) The commission shall maintain a publicly accessible online dashboard displaying, in a standardized and user-friendly format:
(i) billing accuracy rates by utility;
(ii) number of anomalies detected;
(iii) total customer refunds issued;
(iv) average resolution times; and
(v) comparative performance metrics across utilities.

9. (a) The commission shall promulgate rules and regulations necessary to implement the provisions of this section.
(b) The commission shall have the authority to:
(i) audit utility billing integrity systems;
(ii) establish performance standards;
(iii) require corrective actions; and
(iv) impose penalties for noncompliance.

10. Nothing in this section shall be construed to permit fully automated adverse determinations. Final determinations regarding disputed or anomalous bills shall be subject to human review.

11. Utilities shall ensure that any data used in connection with anomaly detection systems is handled in accordance with applicable state and federal privacy laws and is used solely for billing integrity and consumer protection purposes.

12. (a) The commission shall ensure that costs associated with compliance with this section are not unreasonably passed through to ratepayers.

1 (b) The commission may disallow recovery of costs resulting from
2 preventable billing errors or system deficiencies.

3 § 4. This act shall take effect one year after it shall have become a
4 law.