

Surprisingly High Utility Bill? The Utility May be Back-billing You

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Utility law and regulations are complicated. The following is a breakdown of back-billing. If you have questions about utility law or regulations, you

- *Should contact your utility provider first.*
- *If unable to reach a satisfactory resolution or if you have unanswered questions you can also contact the NYS Department of Public Service's helpline, as they are the regulator of the investor owned utilities by calling: [800-342-3377](tel:800-342-3377)*
- *If you are a low income residential customer seeking further help with this process, the [Public Utility Law Project of New York's](#) may be able to help you navigate options by contacting their toll-free hotline at 877-669-2572 and/or email questions info@utilityproject.org.*
- *You can also contact your local legal aid office for resources and referrals.*

A. Estimated Charges:

Estimated charges for utilities are billing amounts based on an estimation of a customer's usage rather than actual meter readings. This happens when utilities cannot access a meter for a reading, such as due to inclement weather, access issues, or operational errors. Utilities base these estimates on previous usage patterns, averages, or historical data.

While estimated charges are a common industry practice that are permitted under [Section 11.13, Title 16 of the New York Compilation of Codes, Rules, and Regulations](#) (N.Y. Comp. Codes R. & Regs.), they can lead to discrepancies between what a customer used and what the customer is billed. If the estimates are significantly off, utilities may need to issue adjustments later based on actual readings, which can sometimes result in back-billing.

B. Back-billing

Back-billing refers to the practice of charging a customer for services that were provided but not billed in a timely manner. This typically happens when there has been an error or oversight that results in the utility not sending a bill for services used during a certain period.

In New York, the Public Service Commission is the state agency that regulates utilities. The Public Service Commission has issued several regulations that protect consumers from unreasonably large back bills. While utilities are entitled to back-bill customers for what the customer ended up using, utilities must comply with these strict regulations.

[Section 11.14, Title 16 , N.Y. Comp. Codes R. & Regs.](#) regulates back-billing on residential accounts. The following is a breakdown of Section 11.14:

(a) Billing for Past Services

- A utility can only charge a customer for services up to six months before the customer receives their first bill.
- Exceptions:
 - If the utility didn't bill you on time because of something outside their control (like a system failure).
 - If the delay was caused by something the customer did wrong (like not giving the utility accurate information).
- If late billing occurs:
 - The utility must explain why the bill is late.
 - The utility must inform the customer that they can pay the overdue amount in installments, based on what the customer can afford.

Example: If you moved into a new apartment in January and got your first utility bill in July, you should only be charged for services from January to July. If the utility is trying to charge you for services from the previous December, they can't do that unless they have a valid reason.

(b) Adjusting Bills After 12 Months

- A utility cannot increase a bill after **12 months** from when the service was provided.
- Exceptions:
 1. If the customer did something wrong that caused an error in billing.
 2. If the utility's mistake was **not** due to the utility's own negligence.
 3. If it's necessary to adjust a bill for a budget payment plan.
 4. If there was a disagreement about the bill during that 12 months.

Example: If you receive a bill in January 2024 for services used in December 2023, and then in February 2024, the utility wants to increase that bill because they realized they undercharged you, that is acceptable. However, if the utility tried to adjust that December 2023 bill upward in February 2025, which is more than twelve months after the December 2023 bill, they cannot do so unless one of the exceptions applies.

(c) Large Billing Adjustments

- If a utility needs to increase your bill by **\$100 or more** and this adjustment is allowed (as per section b), they must:
 - Notify you in writing about the adjustment.

- Inform you that you can pay this new amount in monthly installments.
- Any adjustments over 12 months after service must be completed within **four months** after resolving any disputes regarding the bill.

Example: Suppose you disputed a charge from 2023, and it was resolved in February 2024. If they want to increase your bill due to that resolution, they must have increased your bill by June 2024, which is four months after February, and the utility has to give you the option to pay it off this increase in monthly installments.

(d) Notification of Adjustments

- If a utility adjusts a bill for services provided **12 or more months** prior, they must include a notice explaining why the adjustment was made.

Example: If the utility adjusts your bill for charges that happened two years ago, you'll get a note with the bill explaining the reason for that adjustment.

(e) Final Limitation on Billing Adjustments

- No utility can bill you for services that were not billed, or adjust a bill upward, **after 24 months** from when the service was provided unless the customer caused or contributed to the delay.

Example: If you didn't provide correct meter readings for two years, such as telling the utility that you used less electricity than you actually did or denied the utility access to your meter to read it, the utility may be able to charge you for more than two years of back billing.

C. The Public Service Commission's complaint and inquiry process.

If you disagree with a bill, there is a complaint and inquiry process.

First, you can direct any customer complaints about bills for utility service, deposit requests, or other service problems to the utility. Your utility provider will have a straightforward complaint process for you to follow. The utility must promptly investigate any complaint in a fair manner.

Once you file a complaint, [Section 12.3, Title 16, N.Y. Comp. Codes R. & Regs.](#) states that the utility may not terminate, disconnect, or suspend your service based on the amounts that are being disputed. This means that if you dispute \$50 out of a \$150 bill, then you still owe the \$100 to the utility. The utility may not discontinue your service if you pay \$100, not \$150, because you are disputing \$50. However, if you do not pay the utility at all, the utility may be able to discontinue service based on the \$100 that you did not pay.

Once the utility finishes its investigation of your complaint, it will inform you about the outcome. If you disagree with the results of the complaint, you can file a complaint with the Public Service Commission. To ensure you have time to make a complaint with the Public Service Commission if you choose to do so, utilities may not discontinue your service until 15 days after the utility issues an outcome of your complaint. If you file a complaint with the Public Service Commission, the utility will not discontinue service until after the Public Service Commission resolves your complaint.

There is no guarantee that the Public Service Commission will resolve the complaint in your favor. However, this should not discourage you from filing a complaint if you believe that the outcome from the utility was wrong.

The Public Service Commission has a guide about filing complaints, found [here](#), and you can file complaints:

Online at https://www3.dps.ny.gov/ocs/itxgate.nsf/wdps_complaint.xsp

Telephone

Toll Free Complaint Numbers:

Helpline

General complaints and inquiries

[800-342-3377](tel:800-342-3377)

8:30 a.m. to 4:00 p.m. (Monday - Friday)

Emergency Hotline:

If you received a final disconnection notice from your utility that your electric or gas service will be shut off within 72 hours, you can call the Department of Public Service Emergency Hotline at 800-342-3355 on weekdays from 7:30 a.m. to 7:30 p.m. for assistance.

Consumers with hearing or speech impairment can contact the Department of Public Service through the NYS Relay Service by dialing 711.

Fax

Fax your complaints via fax to 518-472-8502.

Mail

Mail your complaint to one of the Public Service Commission [offices](#).

Attention: Office of Consumer Services
New York State Department of Public Service

In Person

Visit one of the Public Service Commission [office locations](#) in person during the hours of 9:00 a.m. to 3:00 p.m., Monday through Friday, except holidays.

This document was created by LawNY and edited by the Public Utility Law Project.

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This article provides general information about this subject. Laws affecting this subject may have changed since this article was written. For specific legal advice about a problem you are having, get the advice of a lawyer. Receiving this information does not make you a client of our office.

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