

Maryland utilities plan \$18 billion of gas pipe through 2043 — while the state legislates its way off gas.

STRIDE has utilities replacing leak-prone main on an accelerated clock, even as the Climate Solutions Now Act, a Future of Gas docket, and the 2025 Next Generation Energy Act reshape what regulators will let you recover. Every one of those forces moves projects on and off your list. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision.

\$18B¹	1.29M²	+67%¹	4×³
Gas-infrastructure spending planned by Maryland's three largest gas utilities through 2043.	Natural gas consumers in Maryland (2024) — the throughput STRIDE capital is being built against.	Projected rise in BGE's average winter gas bill by 2035, to about \$402/month, if throughput holds.	Columbia Gas of Maryland's per-therm rate under STRIDE — up from ~30¢ to \$1.24/therm.

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THE MARYLAND LANDSCAPE

Four forces are moving your project list at once

None of these is theoretical, and none of them waits for your next budget cycle. Together they mean the STRIDE plan you filed last year may already be the wrong plan.

SYSTEM INTEGRITY — AGING PIPE & STRIDE

Accelerated replacement, on a surcharge clock

STRIDE — the Strategic Infrastructure Development and Enhancement program — lets Maryland gas utilities recover accelerated replacement of leak-prone cast-iron and bare-steel main through a monthly bill surcharge instead of waiting for a full rate case.³ The three largest gas utilities spent about \$744 million on gas infrastructure in 2025 — roughly \$2 million a day, with BGE alone at \$550 million — and are on track to invest more than \$18 billion through 2043.¹

Maryland's gas utilities have already put more than \$2 billion into long-lived pipe; after utility return, the Office of People's Counsel estimates that ultimately costs customers three to four times the initial investment.⁴

DECARBONIZATION — ELECTRIFICATION PRESSURE

A climate law aimed at your throughput

The Climate Solutions Now Act commits Maryland to cutting greenhouse-gas emissions 60% below 2006 levels by 2031 and reaching net-zero by 2045, with buildings responsible for about 16% of state emissions — a direct challenge to gas demands⁵ Regulators have opened a Future of Gas docket to plan the transition, and per-customer gas use has been declining since 2000.^{6,4}

That is the stranded-asset problem in one line: customers have so far paid only about 3% of the replacement costs already committed, and if the customer base shrinks 10% the average BGE winter bill is projected to climb 84%.¹

SUPPLY & PRICE — IMPORT DEPENDENCE

Almost every therm is imported

Maryland produces essentially no natural gas of its own — about 5 million cubic feet in 2024 — so the entire system depends on interstate pipeline deliveries and storage to meet winter peaks⁷

That import dependence shows up in price: the average residential rate reached \$17.35 per thousand cubic feet in 2023 before easing to \$16.14 in 2024, and the citygate price spiked to \$7.54 in 2022 during the 2021–2022 winter-storm price run-up before falling to \$5.24 by 2024.⁸ Design-day and capacity planning ride on top of the same capital budget as pipe replacement.

CAPITAL RECOVERY — AFFORDABILITY

Rising bills, tightening rules

The affordability tension is now explicit. Columbia Gas of Maryland's per-therm rate has quadrupled from roughly 30 cents pre-STRIDE to \$1.24 today, and BGE's gas distribution rates have roughly tripled since 2012.³

The 2025 Next Generation Energy Act, effective June 1, 2025, now requires utilities to show STRIDE projects are cost-effective after weighing alternatives and to focus on the riskiest infrastructure first.⁹ The Office of People's Counsel is appealing the Commission's decision to let Washington Gas keep collecting a bill surcharge before that compliance is tested.⁶

WHO DELIVERS MARYLAND'S GAS

Four investor-owned LDCs and one municipal system

Maryland's gas sector is unusually concentrated: a handful of PSC-regulated investor-owned utilities carry almost every customer, with a single town-owned system on the Eastern Shore. The STRIDE pressures are shared; the accountability path differs.

Investor-owned gas LDCs

Rates & capital recovery regulated by the Maryland PSC

Baltimore Gas and Electric (BGE)	650,000+ gas customers · central Maryland · Exelon ¹⁰
Washington Gas	1M+ customers across DC, Maryland & Virginia · AltaGas / WGL ¹¹
Columbia Gas of Maryland	~34,000 customers · Garrett, Allegany & Washington counties · NiSource ¹²
Sandpiper Energy (Chesapeake Utilities)	Worcester County & the Eastern Shore · Chesapeake Utilities ¹³

These investor-owned LDCs carry essentially all of Maryland's roughly 1.29 million gas consumers — and all of the STRIDE capital program.²

Municipal & public gas

Governed locally, outside PSC rate regulation

Easton Utilities	4,500+ gas customers · town-owned since 1923 · the only municipal gas utility in Maryland ¹⁴
Eastern Shore Natural Gas Co.	Chesapeake Utilities pipeline that supplies Easton and the Eastern Shore ¹⁴
No gas cooperatives	Unlike its electric sector, Maryland has no rural natural-gas cooperatives — distribution is almost entirely investor-owned.

Maryland's gas sector is unusually concentrated in investor-owned utilities; Easton is the lone municipal system, and there are no gas cooperatives.¹⁴

Every STRIDE dollar has to be defensible

The Public Service Commission and the Office of People's Counsel are both pressing harder on gas capital — the question on every project is why this pipe, why now, why at this cost.

Maryland Public Service Commission (PSC) regulates the delivery of retail natural gas service and approves STRIDE plans, surcharges, and rate cases for the state's investor-owned LDCs¹⁵

STRIDE surcharge mechanism: lets utilities recover accelerated pipe replacement through a monthly bill surcharge instead of a full rate case — the reason gas rates have climbed sharply, with Columbia Gas of Maryland's rate up from ~30¢ to \$1.24 per therm³

BGE multi-year rate plan: BGE's second multi-year plan (approved 2023) raised gas distribution rates 4.7% to 94¢/therm effective January 2026; the Commission denied about half of BGE's \$152 million reconciliation for first-plan overspending, and BGE must file a new case before 2027.¹⁶

Washington Gas rate case: in its 2023 case Washington Gas sought a \$49.4 million annual increase; the Office of People's Counsel argued its rates should be reduced, not raised.¹⁷

Next Generation Energy Act (2025): effective June 1, 2025, it requires gas utilities to prove STRIDE projects benefit customers and are cost-effective versus alternatives — with implementation still in a rulemaking running through 2026.⁹

Little federal money — the bill rides on surcharges

and rates

Maryland gas capital is funded almost entirely by ratepayers, not federal grants. That makes the recovery mechanism, and its affordability limits, the real constraint on the plan.

STRIDE surcharge recovery: the primary funding path — about \$744 million of gas-infrastructure spend in 2025, much of it recovered through monthly STRIDE surcharges, with more than \$18 billion planned through 2043.¹

The deferred bill: customers have paid only about 3% of committed replacement costs so far, and after utility return the total is projected to cost three to four times the initial investment.¹⁴

Rate-case recovery: costs outside the surcharge — and surcharge costs later challenged — flow through multi-year plans and base rate cases, e.g. BGE's 4.7% gas increase to 94¢/therm and Washington Gas's \$49.4 million request.¹⁶¹⁷

Avoided capital — new-connection subsidies: OPC estimates ending ratepayer subsidies for connecting new gas customers would save Maryland customers about \$952 million over a decade — capital that need not be spent at all.⁶

MARYLAND GAS, IN BRIEF

Questions Maryland gas leaders are asking

Short, sourced answers — the same facts we dig into with utilities looking at their STRIDE and capital programs.

What is STRIDE and why are Maryland gas bills rising?

STRIDE lets gas utilities recover accelerated replacement of leak-prone pipe through a monthly bill surcharge rather than a full rate case. The three largest utilities spent about \$744 million in 2025 and plan more than \$18 billion through 2043, and Columbia Gas of Maryland's rate has quadrupled to \$1.24 per therm.¹³

How much could Maryland gas bills rise?

The Office of People's Counsel projects BGE's average winter bill up 67% to about \$402/month by 2035 — 84% if the customer base falls 10% — with Washington Gas up 32% and Columbia Gas up 47%.¹

How does Maryland's climate law affect gas throughput?

The Climate Solutions Now Act requires a 60% emissions cut by 2031 and net-zero by 2045, with buildings about 16% of emissions. A Future of Gas docket and steadily declining per-customer use raise the stranded-asset risk on long-lived pipe being built today.⁵⁶

What did the 2025 Next Generation Energy Act change?

Effective June 1, 2025, utilities must show STRIDE projects are cost-effective against alternatives and target the riskiest pipe first. Implementation is in a rulemaking running through 2026, and OPC is appealing a PSC decision that let Washington Gas keep collecting surcharges before compliance was tested.⁶

Who regulates and supplies Maryland's gas?

The PSC regulates the investor-owned utilities — BGE, Washington Gas, Columbia Gas, and Sandpiper Energy — while Easton Utilities is the only municipal system. Maryland produces virtually no gas of its own (about 5 million cubic feet in 2024) and imports nearly all of it.¹⁵¹⁴⁷

How does Invizion help Maryland gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how a tightened STRIDE cost-benefit rule, a Future of Gas outcome, or a shrinking customer base reshuffles your whole project list, re-sequence the portfolio automatically, and keep a defensible record of every decision for the PSC or the Office of People's Counsel.

REFERENCES

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Every figure in this briefing is tied to a primary or authoritative source.

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ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See how utilities keep capital plans current and defensible with Invizion.

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