

New York's gas system has to keep 4.6 million customers safe while the state legislates its long-term decline.

You are running two clocks at once: a decades-long program to pull leak-prone cast-iron and bare-steel main out of the ground, and a Climate Act that bars gas from new buildings and mandates an 85% cut in emissions. Every mile you replace is a 40-year asset booked against a shrinking-throughput future. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision.

4.6M¹	-85%²	Dec 31, 2025³	~7,200 mi⁴
New York residential natural-gas customers — one of the largest gas franchises in the country. ¹	Economy-wide greenhouse-gas cut the Climate Act mandates by 2050 vs. 1990 — the force reshaping every long-horizon gas plan. ²	Date fossil-fuel equipment is barred from most new buildings up to seven stories statewide — taller buildings follow in 2028. ³	Miles of gas main Con Edison alone operates across New York City and Westchester — much of it aging pipe due for replacement. ⁴

THE NEW YORK LANDSCAPE

Four forces are moving your project list at once

New York's gas utilities face the sharpest throughput-and-stranded-asset tension in the country: a mandate to keep an aging, leak-prone system safe today, and a mandate to shrink that same system over the coming decades. Both land in the capital plan.

SYSTEM INTEGRITY & AGING PIPE

The country's most leak-prone mains, on a replacement clock

Con Edison alone operates roughly 7,200 miles of gas pipe across Manhattan, the Bronx, parts of Queens and Westchester, and National Grid serves about 4.2 million electric and gas customers statewide — much of the downstate network dating to the cast-iron and bare-steel era.⁴⁵

PHMSA's distribution-integrity rules require operators to track main by material and installation date and to prioritize the leak-prone pipe that drives most hazardous leaks.⁶ Each mile replaced is a mandated safety obligation — and a 40-year asset booked against demand the state intends to fall.

DECARBONIZATION & ELECTRIFICATION

The state is legislating gas out of new load

The Climate Leadership and Community Protection Act requires a 40% emissions cut by 2030, 60% by 2040 and 85% by 2050, with 70% renewable electricity by 2030 and 100% zero-emission electricity by 2040.²⁷

New York's All-Electric Building Act bars fossil-fuel equipment from most new construction up to seven stories from Dec. 31, 2025, and from taller buildings in 2028.³ The Climate Action Council's Scoping Plan devotes a full chapter to a managed "gas system transition," putting the customer-funded gas-line-extension subsidy known as the 100-foot rule squarely under review.⁸ Roughly 4.6 million residential gas customers are on the other side of that transition.¹

SUPPLY, PRICE & RELIABILITY

A winter-peaking system at the end of the pipe

New York consumed about 1.32 trillion cubic feet of natural gas in 2024, a load that spikes hard on winter design days.¹⁰ Downstate — New York City and Long Island — sits at the end of constrained interstate pipeline capacity, where a moratorium risk and cold-snap price spikes translate straight into customer bills.⁵

The residential delivered price reached about \$16.58 per thousand cubic feet in 2024, up from prior years.⁹ Capacity, storage and peaking decisions still have to be funded — even as the long-run plan calls for less gas.

CAPITAL RECOVERY & REGULATION

Every dollar recovered under a rising-bill spotlight

The New York Public Service Commission sets rates and capital recovery for the state's gas distributors through multi-year rate plans rather than a single standalone infrastructure surcharge.¹¹ With residential gas prices near \$16.58/Mcf, affordability is now the binding constraint on how fast integrity and modernization capital can be recovered.⁹

The question in front of every filing is the same: why this project, why now, and how do you recover a long-lived gas asset in a state planning to use less gas?

WHO RUNS NEW YORK'S GAS SYSTEM

A handful of large investor-owned LDCs, and a small municipal segment

New York's gas distribution is overwhelmingly investor-owned and PSC-regulated, led by Con Edison and National Grid downstate and National Fuel upstate. Only a few villages and cities run their own gas systems.

Investor-owned gas LDCs

Rates & capital recovery regulated by the NY PSC

Consolidated Edison (Con Edison) ~1.1M gas customers · Manhattan, the Bronx, parts of Queens & Westchester⁴

National Grid (KEDNY / KEDLI / Niagara Mohawk) ~4.2M NY customers · Brooklyn, Queens, Staten Island, Long Island & upstate⁵

National Fuel Gas Distribution 756,000+ utility customers · western NY & NW Pennsylvania¹²

NYSEG & RG&E (Avangrid) Gas across upstate NY & Rochester · Avangrid serves ~3.1M customers³³

Orange & Rockland Utilities Con Edison subsidiary · southeastern NY¹⁴

Central Hudson Gas & Electric Mid-Hudson Valley gas & electric¹¹

Con Edison and National Grid together carry the bulk of New York's leak-prone-main replacement obligation, concentrated in New York City.⁴⁵

Municipal & public gas systems

Governed by villages & boards, not PSC rate cases

Jamestown Board of Public Utilities Municipal gas division · Chautauqua County

Bath Electric, Gas & Water Systems Village of Bath municipal gas · Steuben County

Village of Fredonia Municipal natural-gas system · western NY

New York's municipal gas segment is small relative to the investor-owned LDCs, but these systems face the same aging-pipe and integrity obligations — typically with thinner balance sheets.

Every capital dollar has to be defensible

In New York the tension is unusually stark: the same regulator that orders you to keep the gas system safe is steering its managed decline.

New York Public Service Commission (PSC / DPS) regulates rates, capital recovery and safety for Con Edison, National Grid, National Fuel, NYSEG/RG&E, Orange & Rockland and Central Hudson gas¹¹

Multi-year rate plans are New York's primary mechanism for recovering integrity and modernization capital — there is no single standalone infrastructure-replacement surcharge like other states' ISRS or DSIC.¹¹

The gas-system-transition proceeding flowing from the Climate Act Scoping Plan is re-examining long-term gas planning and the 100-foot line-extension subsidy — the framework that determines which future gas capital is even recoverable.⁸

Affordability is now an explicit rate-case constraint: with residential gas near \$16.58/Mcf, the PSC weighs every capital request against the bill impact.⁹

How New York's gas capital actually gets paid for

Little of New York's gas capital comes from federal grants; the recovery story is the rate plan — and the state policy that decides what belongs in it.

PSC-approved multi-year rate plans are the workhorse: integrity, main replacement and modernization capital is rolled into base delivery rates over three-plus-year terms.¹¹

The delivered-price ceiling — about \$16.58 per Mcf residential in 2024 — is the practical limit on recovery pace; every accelerated program shows up on the bill.⁹

Federal NGDISM grants (PHMSA's Natural Gas Distribution Infrastructure Safety & Modernization program) are available to community- and municipally-owned systems to replace leak-prone pipe — a fit for New York's small municipal segment more than its large IOUs.⁶

The gas-transition framework increasingly gates what capital is recoverable at all: pipe extended under a subsidy the state is phasing out is capital at risk of non-recovery.⁸

NEW YORK'S GAS SYSTEM, IN BRIEF

Questions New York gas-utility leaders are asking

Short, sourced answers — the same facts we work through with utilities looking at their capital programs.

How big is New York's natural-gas customer base?

New York has about 4.6 million residential natural-gas customers and consumed roughly 1.32 trillion cubic feet in 2024 — one of the largest gas markets in the country.¹⁰

What does the Climate Act require, and how does it hit gas?

The CLCPA mandates cutting economy-wide emissions 40% by 2030, 60% by 2040 and 85% by 2050 (vs. 1990), with 70% renewable electricity by 2030 and 100% zero-emission electricity by 2040 — targets that imply a long-run decline in gas throughput.²⁷

Is New York really banning gas in new buildings?

Yes. The All-Electric Building Act bars fossil-fuel equipment from most new construction up to seven stories starting Dec. 31, 2025, and from taller buildings in 2028, with exemptions for uses such as restaurants, hospitals, labs and backup power.³

What is the 100-foot rule and why does it matter to capital plans?

It is the long-standing subsidy that obliges utilities to extend gas mains to new customers largely at existing ratepayers' expense. New York's Scoping-Plan gas-transition work puts it under review — which changes whether new gas-extension capital can be recovered.⁸

Who regulates New York gas utilities and how is capital recovered?

The Public Service Commission regulates the state's investor-owned gas LDCs and recovers integrity and modernization capital through multi-year rate plans rather than a standalone infrastructure surcharge — with affordability an explicit constraint at roughly \$16.58/Mcf residential.¹⁹

How does Invizion help New York gas utilities plan capital?

Invizion is scenario-based capital-portfolio optimization for utilities. It lets you model how a tightening emissions target, the end of the 100-foot rule, an accelerated leak-prone-main program, or a cold-snap cost recovery reshuffles your entire project list — re-sequence the portfolio automatically, and keep a defensible record of every trade-off for the PSC and your board.

REFERENCES

Sources

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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