

One of the fastest-growing gas markets in the country — with a capital list that won't sit still.

North Carolina's gas utilities are extending mains into new subdivisions, replacing decades-old steel pipe, and absorbing a decarbonization debate and a lost interstate pipeline all at once. Every one of those forces reshuffles the projects competing for the same capital. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision.

~1.6M¹	9.8%²	675,000³	\$9.6M⁴
Natural gas customers across North Carolina (2024) — one of the fastest-growing gas markets in the Southeast. ¹	Authorized ROE in Piedmont Natural Gas's 2024 North Carolina rate case, which added about \$88M in revenue. ²	Customers served by Enbridge Gas North Carolina (formerly PSNC) across 28 counties. ³	Federal NGDISM grant to Kings Mountain to replace 23 miles of aged, at-risk gas main (FY2024). ⁴

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THE NORTH CAROLINA LANDSCAPE

Four forces are moving your project list at once

Growth, aging pipe, decarbonization, and supply risk don't wait for the next budget cycle. Together they mean the capital plan you approved last year may already be the wrong plan.

INTEGRITY — AGING PIPE & SAFETY

Replacing old steel while the system keeps growing

North Carolina's Pipeline Safety Section oversees roughly 40 distribution systems and 49 transmission systems, including eight municipal gas systems.⁵ Much of that pipe is vintage steel and early plastic that has to be replaced on a PHMSA-driven integrity schedule — at the same time crews are extending mains into fast-growing suburbs.

Federal dollars are now flowing to the work: PHMSA's FY2024 NGDISM awards sent \$9.6M to Kings Mountain to replace 23 miles of main and \$3.18M to Greenville Utilities for 3.23 miles of steel mains,⁴ after FY2023 grants of \$5.43M to Rocky Mount (9.8 miles) and \$3.18M to Wilson.⁶

DECARBONIZATION — ELECTRIFICATION PRESSURE

A long-horizon question about throughput

North Carolina's 2021 carbon law (HB951 / Session Law 2021-165, "Energy Solutions for North Carolina") directs the power sector toward a 70% CO₂ cut by 2030 and carbon neutrality by 2050.⁷ The law targets electric generation, but the electrification push it accelerates — heat pumps, all-electric new construction — is exactly the throughput risk that reshapes a gas LDC's long-horizon plan.

The investment case for a 40- or 50-year main now has to survive a decarbonization scenario. That makes the sequencing of replacement, expansion, and RNG or methane-reduction spending a portfolio question, not a project-by-project one.

SUPPLY — RELIABILITY & PRICE

Fewer pipes into a growing state

North Carolina leans heavily on a single interstate artery: Williams' Transco (Transcontinental Gas Pipe Line), a ~10,500-mile system carrying Gulf Coast gas through the Southeast and into the state.⁹ The Atlantic Coast Pipeline — 600 miles and 1.5 Bcf/d aimed at eastern North Carolina — was cancelled in July 2020 after costs ballooned toward \$8B, leaving the east dependent on existing capacity.⁸

The bill impact is real: residential gas delivered for about \$30.10 per Mcf in mid-2026 against a citygate price near \$5.25¹⁰ and the state burned roughly 690 Bcf across all sectors in 2024.¹¹ Winter peaking and volatile wholesale costs flow straight to customers through the gas-cost rider.

CAPITAL RECOVERY — RATES & RIDERS

Recovery is faster now — and more scrutinized

North Carolina lets its gas LDCs recover integrity and replacement capital between rate cases through rider mechanisms: Piedmont's Integrity Management Rider and, at Enbridge Gas North Carolina, an Integrity Management tracker (Rider E) and a pipeline-integrity expense tracker (Rider H).¹²

Base rates still get set the hard way. Piedmont's 2024 North Carolina case landed about \$88M in additional revenue at a 9.8% ROE.² With residential bills already reflecting a wide delivery-to-commodity spread,¹⁰ every capital dollar has to be defensible before the Commission.

WHO DELIVERS NORTH CAROLINA'S GAS

Two large investor-owned LDCs, two smaller ones, and municipal systems

North Carolina's gas is delivered by four Commission-regulated distribution companies — led by Piedmont and Enbridge Gas — plus eight municipally owned systems, most of them in the east.

Investor-owned LDCs

Rates & capital recovery regulated by the NCUC

Piedmont Natural Gas (Duke Energy)	>1M customers across NC, SC & TN — largest share in NC
Enbridge Gas North Carolina (formerly PSNC)	675,000 customers · 28 counties · acquired from Dominion in 2024
Frontier Natural Gas Company	Smaller LDC serving parts of eastern & central NC
Toccoa Natural Gas	Small LDC in far-western NC near the Georgia line

Piedmont and Enbridge Gas together serve the large majority of the state's ~1.6M gas customers.

Municipal gas systems

Publicly owned; the main recipients of federal NGDISM grants

Greenville Utilities	Eastern NC · \$3.18M FY2024 NGDISM grant
City of Rocky Mount	Eastern NC · \$5.43M FY2023 grant, 9.8 mi replaced
Wilson (Wilson Energy)	Eastern NC · \$3.18M FY2023 NGDISM grant
City of Kings Mountain	Western Piedmont · \$9.6M FY2024 grant, 23 mi replaced

North Carolina has eight municipal gas systems operating outside NCUC rate jurisdiction.

Every capital dollar has to be defensible

North Carolina's gas LDCs recover capital through a mix of base rates and integrity riders — and each has to answer the same question: why this project, why now, why at this cost?

North Carolina Utilities Commission (NCUC) regulates the rates and service of the state's investor-owned gas LDCs — Piedmont, Enbridge Gas North Carolina, Frontier, and Toccoa¹³

Integrity Management Rider (IMR) lets Piedmont recover safety- and integrity-related capital investment between general rate cases; Enbridge Gas North Carolina uses parallel integrity trackers (Rider E and Rider H)²¹²

Piedmont's 2024 North Carolina rate case produced roughly \$88M in additional annual revenue at a 9.8% authorized ROE, effective November 2024²

Gas-cost recovery (Rider D) passes volatile wholesale commodity costs through to customers — the mechanism through which winter price spikes reach the bill.¹²

Federal money is moving — can your plan absorb it?

North Carolina's municipal gas systems are winning real federal dollars for pipe replacement. The constraint is readiness: which projects qualify, which are shovel-ready, and how the timing lines up with rider recovery.

PHMSA NGDISM program — the federal Natural Gas Distribution Infrastructure Safety & Modernization grant program, funded at about \$200M a year (\$1B over five years) for municipally and community-owned systems¹⁵

FY2024 NGDISM awards to NC: \$9.61M to Kings Mountain (23 miles), \$3.18M to Greenville Utilities (3.23 miles of steel main), and \$14,000 to Lexington for leak-detection equipment.⁴

FY2023 NGDISM awards to NC: \$5.43M to Rocky Mount to replace 9.8 miles of gas main and \$3.18M to Wilson for tapping-tee replacements.⁶

Rider-based capital recovery — for the investor-owned LDCs, the integrity riders (Piedmont's IMR; Enbridge's Rider E/H) are the workhorse mechanism that turns replacement capital into recoverable investment between rate cases²¹²

NORTH CAROLINA'S GAS SECTOR, IN BRIEF

Questions North Carolina gas leaders are asking

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

Who delivers natural gas in North Carolina?

Four NCUC-regulated LDCs — Piedmont Natural Gas (Duke Energy), Enbridge Gas North Carolina (formerly PSNC), Frontier Natural Gas, and Toccoa Natural Gas — plus eight municipally owned systems. Together they serve about 1.6 million customers³³¹

How are gas utilities funding aging-pipe replacement?

Investor-owned LDCs recover integrity and replacement capital through riders like Piedmont's Integrity Management Rider, while municipal systems are winning federal NGDISM grants — for example \$9.6M to Kings Mountain and \$5.43M to Rocky Mount²⁴⁶

What is the Integrity Management Rider?

It is a cost-recovery mechanism that lets Piedmont recoup safety- and integrity-related capital between full rate cases; Enbridge Gas North Carolina uses parallel integrity trackers (Rider E and Rider H). It shortens the lag between spending on pipe replacement and earning a return on it¹²

How did the Atlantic Coast Pipeline cancellation affect eastern North Carolina?

The 600-mile, 1.5 Bcf/d project meant to bring new supply into eastern North Carolina was cancelled in July 2020 after costs approached \$8B, leaving the region reliant on existing Transco capacity for supply and design-day planning⁸⁹

Does North Carolina's carbon law affect gas utilities?

HB951 / Session Law 2021-165 targets the electric power sector — a 70% CO2 cut by 2030 and carbon neutrality by 2050 — but the electrification it accelerates is the long-horizon throughput risk gas LDCs now build into capital plans⁷

How does Invizion help North Carolina gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how a growth surge, an NGDISM grant, a rider filing, or a decarbonization scenario reshuffles your whole project list, re-sequence the portfolio automatically, and keep a defensible record of every decision for the NCUC or 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.

Explore Invizion →