

WEST VIRGINIA · GAS UTILITIES · CAPITAL BRIEFING

West Virginia sits on the gas, and on the pipe that has to be replaced. Your capital plan is where those two facts meet.

The Marcellus made West Virginia a top-five gas-producing state, and the utilities that deliver that gas are running a decade-long replacement of bare-steel and cast-iron main while chasing new industrial and data-center load. Every IREP dollar, every rate-case offset, every expansion mile competes for the same capital. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision.

~3.4 Tcf¹ West Virginia marketed natural gas production in 2024 — a top-five producing state, up from ~3.1 Tcf in 2023.	\$445M² Mountaineer Gas's Infrastructure Replacement & Expansion (IREP) capital plan for 2026–2030.	1,000+ mi³ Bare-steel, cast-iron and other legacy main Hope Gas is replacing under its modernization program.	\$15.61⁴ Average West Virginia residential price per Mcf in 2023 — up from \$12.08 in 2022.
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THE WEST VIRGINIA LANDSCAPE

Four forces are moving your project list at once

West Virginia's gas story is not about managed decline — it is about replacing old pipe and building new capacity at the same time, on a fixed capital budget and a regulator's clock. Each of these forces reshuffles the projects on your list.

SYSTEM INTEGRITY — AGING PIPE

A decade of replacing bare steel and cast iron

West Virginia's distribution systems still carry legacy bare-steel, cast-iron, wrought-iron and copper main that PHMSA tracks as leak-prone and priority-to-replace⁵⁶ Hope Gas alone is replacing more than 1,000 miles of a roughly 3,246-mile system, converting it to coated steel or plastic under a modernization program that began in 2016.³

Mountaineer Gas has been replacing aged infrastructure across its territory for a decade and now plans \$445 million of IREP spending over 2026–2030.² The backlog is long, the work is rural and low-density, and the mileage does not shrink on its own.

GROWTH — THE GAS-EXPANSION BET

Not managed decline — a build-out

Unlike states running "future of gas" retirement dockets, West Virginia is expanding. Marcellus and Utica output has climbed every year to roughly 3.4 Tcf in 2024, giving utilities abundant in-state supply to sell.¹ Hope Gas is building a \$250 million, 30-mile pipeline in Mason County to serve a data-center campus and industrial load, with 600+ construction jobs and completion targeted for the end of 2026.⁷

But the growth is contested: Hope asked the PSC to block a rival pipeline from supplying the Quantum Pleasants graphene plant, which needs about 100 million cubic feet a year.⁸ Every large new load is a multi-decade capacity commitment made on speculative demand — the mirror image of stranded-asset risk.

SUPPLY — PRICE & PEAKS

Abundant gas, volatile bills

Sitting on the gas does not shield customers from commodity swings. When prices spiked after COVID and Russia's invasion of Ukraine, the PSC granted interim increases of 15% for Mountaineer Gas and 28% for Hope Gas — well below the 38% and 62% the companies requested — pushing average winter bills to roughly \$166 and \$173 a month.⁹

Residential prices reached \$15.61 per Mcf in 2023.⁴ Those costs flow through the Purchased Gas Adjustment, separate from the capital recovered through base rates and IREP — and when the PGA falls, it can offset an infrastructure increase in the same bill.¹⁰

CAPITAL RECOVERY — IREP & RATE CASES

The surcharge that funds the replacement

West Virginia's 2015 infrastructure law (W. Va. Code §24-2-1k) lets gas utilities recover replacement and expansion investment through an annual IREP surcharge, with the PSC ruling within 150 days — faster than a full rate case.¹¹ In December 2025 the PSC approved a Mountaineer Gas IREP increase of about \$1.55 a month (~2%), roughly \$5.2 million a year, effective January 1, 2026.²

The mechanism is powerful but not automatic: recovery is limited to what the Commission finds just and reasonable¹¹ and affordability pressure is real after the 2022 spikes.⁹ Every mile you file has to be defensible.

WHO DELIVERS WEST VIRGINIA'S GAS

Two investor-owned LDCs, and a wave of consolidation

West Virginia's gas distribution is overwhelmingly investor-owned and regulated by the Public Service Commission — there are very few municipal gas systems. The past two years have seen Hope Gas absorb a string of small independent companies.

Investor-owned LDCs

Rates & capital recovery regulated by the WV PSC

Mountaineer Gas Company 220,000+ customers · 50 of 55 counties · the state's largest LDC²

Hope Gas, Inc. ~125,000 customers · 35 counties · 6,900+ miles of pipe¹²

Southern Public Service Company Smaller southern-WV distribution company

Statewide, natural gas served 336,511 residential and about 372,000 total customers in 2024.¹³

Small & consolidating systems

Independent LDCs recently folded into Hope Gas

People's Gas & Consumers Gas Absorbed by Hope Gas in 2024–2025¹²

Standard, Bazzle, McIntosh, Ross & Wharton Small systems acquired by Hope Gas, June 2024¹²

Municipal gas Minimal — WV distribution is almost entirely investor-owned

Hope Gas was acquired from Dominion Energy in 2022 by Hope Utilities (formerly Hearthstone), the Ullico-backed platform now running the business.¹²

Every capital dollar has to be defensible

The question in front of the Public Service Commission is always the same: why this project, why now, why at this cost — and can customers absorb it?

Public Service Commission of West Virginia regulates rates and capital recovery for Mountaineer Gas, Hope Gas and the state's other gas LDCs.

IREP surcharge (W. Va. Code §24-2-1k, 2015) lets gas utilities recover infrastructure replacement and expansion investment through an annual surcharge decided within 150 days — not a full rate case.¹¹

Mountaineer Gas 2025 IREP case — PSC approved a ~\$1.55/month (~2%) increase, about \$5.2 million a year, effective January 1, 2026²

2022 interim rate order raised Mountaineer bills 15% and Hope bills 28% on commodity costs — below the 38% and 62% requested — a reminder that approvals are not a formality³

2023 Mountaineer settlement paired a 4% base-rate increase with lower PGA and IREP charges, cutting the average residential bill from \$98.30 to \$88.69.¹⁰

Mostly surcharge and private investment, not federal grants

West Virginia's gas modernization and expansion is funded largely through regulated surcharges and private capital rather than large federal awards. The constraint is not access to money — it is sequencing what you can recover against what customers can bear.

IREP surcharge recovery is the backbone: Mountaineer Gas plans \$445 million over 2026–2030, with \$77 million budgeted for 2026 alone.²

Statutory return on infrastructure — W. Va. Code §24-2-1k lets utilities earn a return, depreciation and taxes on approved IREP rate base between full rate cases.¹¹

Private expansion capital — Hope Gas's \$250 million Mason County pipeline is entirely privately funded to serve new industrial and data-center load.⁷

Purchased Gas Adjustment (PGA) passes commodity cost through separately, so infrastructure recovery competes with a volatile fuel line on the same customer bill.¹⁰

WEST VIRGINIA GAS, IN BRIEF

Questions West Virginia gas leaders are asking

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

How much natural gas does West Virginia produce?

West Virginia marketed roughly 3.4 trillion cubic feet in 2024, up from about 3.1 Tcf in 2023, making it one of the nation's top five gas-producing states behind Texas, Pennsylvania, Louisiana and New Mexico¹

What is the IREP surcharge?

Under West Virginia's 2015 infrastructure law (W. Va. Code §24-2-1k), gas utilities can recover replacement and expansion investment through an annual Infrastructure Replacement and Expansion Program surcharge that the PSC decides within 150 days, rather than waiting for a full rate case²

Who are West Virginia's main gas utilities?

Mountaineer Gas is the largest, with more than 220,000 customers across 50 of 55 counties; Hope Gas (formerly Dominion Energy West Virginia) serves about 125,000 customers in 35 counties over 6,900+ miles of pipe. The sector is almost entirely investor-owned³

How much are West Virginia gas utilities investing in pipe?

Mountaineer Gas plans \$445 million of IREP spending over 2026–2030, and Hope Gas is replacing more than 1,000 miles of legacy bare-steel and cast-iron main while building a \$250 million expansion pipeline in Mason County⁴

Why are gas bills volatile if the gas is local?

Commodity cost flows through the Purchased Gas Adjustment separately from capital. When prices spiked in 2022 the PSC still granted interim increases of 15% for Mountaineer and 28% for Hope, and 2023 residential prices reached \$15.61 per Mcf⁵

How does Invizion help West Virginia gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how an IREP filing, a commodity spike, or a new expansion pipeline reshuffles your whole project list, re-sequence the portfolio automatically against your constraints, and keep a defensible record of every decision for the Public Service Commission.

REFERENCES

Sources

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

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11. West Virginia Legislature — W. Va. Code §24-2-1k, Infrastructure Replacement and Expansion Program (enacted 2015, SB 390); surcharge recovery, 150-day order, annual true-up. code.wvlegislature.gov
12. Hope Gas — Who We Are: ~125,000 customers, 35 counties, 6,900+ miles, 400+ employees; acquired from Dominion Energy in 2022 by Hope Utilities (formerly Hearthstone); absorbed People's, Consumers, Standard, Bazzle, McIntosh, Ross & Wharton (2024–2025). hopegas.com
13. U.S. Energy Information Administration — West Virginia natural gas consumers: 336,511 residential, ~372,000 total (2024). www.eia.gov

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 →