

Wisconsin heats more than two million homes and businesses on gas — through some of the coldest winters in the country. Your capital plan is where that reliability is bought.

A cold-climate distribution system, an aging inventory of vintage main, a \$37.5 billion parent-company build cycle, and a long-horizon decarbonization debate are all pulling on the same project list at once. Each force moves what you fund first. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision to the PSC and the board.

~2.1M¹	\$37.5B²	9.80%³	~4 Bcf³
Natural gas consumers in Wisconsin — residential, commercial, and industrial combined (2024).	WEC Energy Group's 2026–2030 capital plan, spanning gas distribution, Wisconsin LNG, generation, and transmission.	Authorized return on equity for We Energies and Wisconsin Public Service, on a 53% common-equity structure (2025).	LNG peaking storage for We Energies once the PSCW-approved new facility joins the existing ~2 Bcf.

THE WISCONSIN 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 gas capital plan you approved last year may already be the wrong plan.

SYSTEM INTEGRITY — AGING PIPE & SAFETY

Vintage main, a cold-climate system, and a federal safety clock

Wisconsin's distribution network carries gas to more than two million meters¹ across a state where the ground freezes deep and the system runs hard for months. PHMSA tracks the leak-prone inventory — cast iron, wrought iron, and unprotected bare steel — and the federal Distribution Integrity Management Program requires operators to find and retire that risk on a continuous basis.⁴

Replacing aging main, modernizing regulator stations, and building the LNG peaking capacity that keeps a design-day system whole all compete for the same dollars — and in a cold climate, deferral is a safety and reliability decision, not just a budget one.³

DECARBONIZATION — ELECTRIFICATION PRESSURE

Long-lived pipe against a decarbonizing parent

WEC Energy Group has cut carbon dioxide from electric generation about 53% versus 2005 and targets net-carbon-neutral electric generation by 2050.² Building electrification, efficiency, and heat pumps put the long-run question squarely on the gas side: every dollar sunk into 40- to 60-year distribution assets has to be weighed against declining-throughput and stranded-cost risk.

For now, gas remains Wisconsin's dominant heating fuel — residential customers alone burned roughly 123 billion cubic feet in 2024⁵ — so the near-term job is reliability while the long-horizon plan has to stay flexible to a demand curve that may bend.

SUPPLY — PRICE VOLATILITY & PEAKING

Winter peaks, pipeline constraints, and pass-through bills

Wisconsin sits at the end of long interstate pipelines and leans on storage and LNG to meet design-day demand in a deep-winter market. The commodity swings straight through to customers: the citygate price ran from about \$3.36 per Mcf in 2020 to a peak near \$7.17 in 2022 before easing to roughly \$4.06 in 2024, and residential prices peaked above \$11 per Mcf in 2022⁶

Winter Storm Uri (2021) and the volatility that followed showed how fast a peaking event becomes a cost-recovery event. We Energies' LNG facilities hold about 2 Bcf today, and the PSCW approved a new facility adding roughly another 2 Bcf — peaking infrastructure that has to be planned, built, and paid for before the cold arrives.³

CAPITAL RECOVERY — RATES & AFFORDABILITY

No infrastructure rider — every dollar rides in a rate case

Wisconsin has no DSIC- or ISRS-style infrastructure surcharge. Gas-system investment is recovered through periodic base-rate cases and construction authorizations at the PSC of Wisconsin, so the capital you commit has to survive full regulatory review⁷

We Energies and Wisconsin Public Service are authorized a 9.80% ROE on a 53% equity layer,³ while WEC's \$37.5 billion 2026–2030 build cycle stacks new capital onto bills already sensitive to winter commodity swings.² Affordability is now part of every prioritization.

WHO RUNS WISCONSIN'S GAS SYSTEM

An investor-owned gas sector, regulated end to end

Wisconsin's natural gas distribution is overwhelmingly investor-owned, led by We Energies (Wisconsin Electric Power and Wisconsin Gas).⁸ Most of the large LDCs sit under WEC Energy Group, which serves about 4.4 million customers across four states,⁹ with a handful of independent utilities and municipal gas systems rounding out the map.

Investor-owned gas LDCs

Rates & capital recovery regulated by the PSC of Wisconsin

We Energies (Wisconsin Electric & Wisconsin Gas)	Wisconsin's largest gas LDC; WEC's Wisconsin utilities serve ~1.5M gas customers ³
Wisconsin Public Service (WPS)	333,000+ gas customers across 27 counties in NE & central Wisconsin ¹⁰
Madison Gas & Electric (MGE)	~154,000 gas customers in Madison & surrounding counties ¹¹
Xcel Energy (NSP-Wisconsin)	Gas & electric in NW/western Wisconsin (Eau Claire, La Crosse) ¹²
Superior Water, Light & Power	Combination gas, electric & water utility for the Superior area (an ALLETE company)

WEC's 2026–2030 capital plan totals about \$37.5 billion, covering gas distribution and Wisconsin LNG alongside generation and transmission.²

Municipal & independent gas

Community-owned systems, still PSC rate-regulated

Municipal natural gas utilities	A small set of city-owned gas systems; their rates are set by the PSCW like the IOUs ⁷
Superior Water, Light & Power	Serves the Superior / Douglas County corner; part of ALLETE
Wisconsin's 1,100+ regulated utilities	The PSCW oversees electric, gas, water & telecom utilities statewide ⁷

Wisconsin's gas market is small on the municipal side and large on the investor-owned side — but the capital-planning discipline the PSC expects is the same for both.

Every capital dollar has to be defensible

In Wisconsin the recovery path is unusually direct: there is no automatic infrastructure rider, so the question in front of the Commission is always — why this project, why now, why at this cost?

Public Service Commission of Wisconsin (PSCW) regulates rates and capital recovery for more than 1,100 utilities — investor-owned and municipal gas alike — through three gubernatorially appointed commissioners.⁷

No DSIC/ISRS surcharge. Wisconsin recovers gas-infrastructure investment through periodic base-rate cases and construction authorizations, not a standing infrastructure rider — so main replacement and LNG competes for room inside each rate case⁷

Authorized returns. We Energies and Wisconsin Public Service carry a 9.80% ROE on a 53.0% common-equity ratio (2025) — the yardstick every capital request is measured against³

LNG peaking approval. The PSCW approved We Energies' request to build a new LNG facility with about 2 Bcf of storage, adding to the roughly 2 Bcf already in service for winter design-day supply³

Where the capital comes from — and how it gets

paid back

Wisconsin gas utilities fund modernization mostly through investor capital recovered in rates, with a narrower slice of federal money available to smaller systems. The constraint is readiness: which projects earn their place, and how the timing lines up against affordability.

WEC \$37.5B capital plan, 2026–2030 — the largest in company history, spanning natural gas distribution, Wisconsin LNG, electric generation, and transmission²

Base-rate recovery at a 9.80% ROE / 53% equity — the core mechanism for financing gas-system capital in Wisconsin, since the state has no infrastructure surcharge to lean on³

PHMSA NGDISM grants — \$1B over five years (\$200M/yr) from the Infrastructure Investment and Jobs Act, aimed at repairing and replacing leak-prone distribution pipe; municipal and community gas systems are the eligible applicants¹³

Gas-cost recovery (PGA) — wholesale commodity costs flow to customers close to one-for-one, so winter price spikes like 2021–2022 land directly on bills rather than utility returns, sharpening the affordability limit on rate-base growths⁶

WISCONSIN'S GAS SYSTEM, IN BRIEF

Questions Wisconsin gas utility leaders are asking

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

How big is Wisconsin's natural gas customer base?

About 2.1 million consumers — roughly 1.89 million residential, 180,000 commercial, and 8,000 industrial as of 2024. Gas remains the state's dominant heating fuel.¹

Who are the largest gas utilities in Wisconsin?

We Energies (Wisconsin Electric and Wisconsin Gas) is the largest; WEC's Wisconsin utilities together serve about 1.5 million gas customers. Wisconsin Public Service (333,000+), Madison Gas & Electric (~154,000), Xcel Energy's NSP-Wisconsin, and Superior Water, Light & Power round out the sector.²¹⁰¹¹

Does Wisconsin have an infrastructure-replacement surcharge?

No. Unlike states with a DSIC or ISRS rider, Wisconsin recovers gas-infrastructure investment through periodic base-rate cases and construction authorizations at the PSC of Wisconsin — so main-replacement and LNG spending has to be justified inside each case.⁷

How does Wisconsin handle winter peaking and supply risk?

The state relies on interstate pipelines, storage, and LNG. We Energies holds about 2 Bcf of LNG and the PSCW approved roughly another 2 Bcf. Commodity volatility — citygate prices ran from about \$3.36/Mcf in 2020 to a \$7.17 peak in 2022 — passes through to customers.³⁶

What does decarbonization mean for gas capital plans here?

WEC has cut electric-generation CO₂ about 53% versus 2005 and targets net-carbon-neutral electric generation by 2050. Gas is still the dominant heating fuel, so the tension is funding today's reliability while keeping long-lived pipe investment defensible against declining-throughput risk.²⁵

How does Invizion help Wisconsin gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how a cold-snap peaking need, a new LNG or main-replacement program, a rate-case outcome, or a shift in the decarbonization outlook reshuffles your whole 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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13. PHMSA — Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grant program: \$1 billion over five years (\$200 million/year) from the Infrastructure Investment and Jobs Act. www.phmsa.dot.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 →