

Michigan sits on the nation's largest gas storage — and a 2040 clean-energy clock. Your capital plan lives between them.

More than three million Michigan homes heat with natural gas across 63,000-plus miles of aging main, even as a 2023 law puts electricity on a path to 100% clean by 2040. Main renewal, winter reliability, and decarbonization pressure are all competing for the same dollars. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision to the MPSC.

1.08 Tcf¹

Underground natural gas storage capacity in Michigan — the largest of any U.S. state (2024).

3.4M²

Residential natural gas customers in Michigan (2024) — among the largest gas customer bases in the country.

75%+³

Share of Michigan households that use natural gas as their primary heating fuel.

63,000+ mi³

Miles of natural gas distribution main across Michigan, feeding 3.3 million-plus service lines.

THE MICHIGAN LANDSCAPE

Four forces are moving your project list at once

Michigan runs one of the largest, oldest, and most heavily gas-dependent distribution systems in the country. Aging pipe, a hard decarbonization deadline, winter reliability, and rate-case scrutiny all pull on the same capital budget — and none of them waits for your next cycle.

SYSTEM INTEGRITY — AGING PIPE & SAFETY

63,000 miles of main, much of it decades old

Michigan's gas distribution system spans more than 63,000 miles of main and over 3.3 million service lines — a network built out through the twentieth century and still carrying legacy cast-iron and bare-steel pipe, much of it beneath metro Detroit³

Cast iron and unprotected steel are the leak-prone materials PHMSA tracks most closely, and replacing them is a multi-decade, capital-intensive obligation that runs on a safety clock, not a budget cycle.⁴ Every mile of accelerated main renewal competes with everything else on the list.

DECARBONIZATION — THE 2040 CLOCK

A clean-energy law that reshapes long-horizon gas plans

Michigan's 2023 clean-energy package (Public Act 235) puts electric providers on a path to 80% clean energy by 2035 and 100% by 2040, with a 50% renewable standard by 2030.⁵ The MI Healthy Climate Plan targets economy-wide carbon neutrality by 2050 and a 52% greenhouse-gas cut from 2005 levels by 2030.⁶

With more than 75% of Michigan homes heating with gas, building electrification and declining-throughput risk reshape every long-horizon plan — capital sunk into 40-year assets has to be weighed against a customer base that policy is steering elsewhere.³

SUPPLY — STORAGE & WINTER PEAKING

The nation's biggest storage, sized for a hard winter

Michigan holds about 1.08 trillion cubic feet of underground storage — the most of any state — which is what lets its utilities meet brutal winter design-day demand. The state burned roughly 1.03 Tcf of gas in 2024, a load dominated by winter heating.⁷

That storage is an asset and an obligation: injection, withdrawal, and the fields themselves are capital the plan has to keep funding, even as commodity prices swing. Michigan's citygate gas cost about \$3.63 per Mcf in 2024 while residential customers paid \$10.76 — the gap is delivery, storage, and infrastructure.⁸

CAPITAL RECOVERY — RATES & AFFORDABILITY

Every dollar has to clear the MPSC — and the bill

The Michigan Public Service Commission regulates rates and service for the state's seven jurisdictional natural gas utilities, and infrastructure investment is recovered through rate cases and main-replacement surcharge mechanisms rather than free money.⁹

Affordability is the ceiling. Residential customers already pay roughly \$10.76 per Mcf delivered against a \$3.63 citygate commodity cost, so accelerated renewal, storage, and reliability spending all land on the same bill — and every request has to be defensible line by line.⁸

WHO DELIVERS MICHIGAN'S GAS

Four large investor-owned LDCs, plus a set of municipal systems

Michigan's gas market is dominated by four MPSC-regulated investor-owned distributors, with a handful of communities owning their own gas systems. The pressures are shared; the accountability path differs.

Investor-owned gas LDCs

Rates & capital recovery regulated by the MPSC

Consumers Energy	~1.7M gas customers · 27,000+ mi of pipe · ~373 Bcf/yr ¹
DTE Gas	~1.3M customers · metro Detroit & eastern/central Michigan ¹⁰
SEMCO Energy Gas Company	~300,000 customers · Port Huron, the U.P. & other regions ¹²
Michigan Gas Utilities	WEC Energy Group · southern & western Michigan ¹³

Michigan's regulated gas utilities together carry more than 63,000 miles of distribution main and over 3.3 million service lines³

Municipal & community gas systems

Locally governed, outside MPSC rate jurisdiction

Coldwater Board of Public Utilities	Municipally owned gas system
City of Sturgis	Municipally owned gas system
City of Marshall	Municipally owned gas system
Village of Union City	Municipally owned gas system

A small number of Michigan communities own their gas distribution systems and set rates locally through boards or councils — the same integrity and capital pressures, decided in front of customers.

Capital recovery runs through the MPSC

For the investor-owned LDCs, every major capital dollar is tested in a rate case. The question is always the same: why this project, why now, why at this cost?

Michigan Public Service Commission (MPSC) regulates retail rates, service, and capital recovery for the state's seven jurisdictional natural gas utilities.⁹

Infrastructure & main-replacement recovery— Michigan LDCs recover accelerated main renewal through rate cases and infrastructure surcharge mechanisms, so replacement pace and rate impact are decided together.⁹

The affordability test — residential customers pay about \$10.76 per Mcf delivered against a \$3.63 citygate commodity cost, so every capital request is scrutinized against the bill.⁸

Municipal systems set their own rates — cities like Coldwater, Sturgis, and Marshall govern their gas systems locally, outside MPSC rate jurisdiction.³

In Michigan, the capital comes from rates — not grants

Unlike the federal windfalls flowing to the electric grid, gas-distribution modernization in a state of investor-owned LDCs is funded mostly through cost recovery. That makes sequencing and defensibility the whole game.

Rate-based capital recovery is the main channel — main renewal, storage, and reliability investment are recovered through MPSC rate cases and infrastructure surcharge riders, not one-time awards.⁹

The bill is the constraint — with delivered residential gas near \$10.76 per Mcf versus a \$3.63 citygate cost in 2024, roughly two-thirds of the residential price is the delivery and infrastructure the capital plan pays for.⁸

Federal PHMSA modernization grants (Bipartisan Infrastructure Law, NGDISM program) are aimed largely at municipal and community-owned gas systems — a narrow channel in a state dominated by investor-owned distributors.⁴

Storage as a rate-based asset — Michigan's 1.08 Tcf of underground storage, the most of any state, is capital that must keep earning its keep as loads and prices shift.¹

MICHIGAN GAS, IN BRIEF

Questions Michigan gas leaders are asking

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

How much natural gas storage does Michigan have?

About 1.08 trillion cubic feet of underground working-and-base storage capacity — the largest of any U.S. state — which is what lets Michigan utilities meet severe winter design-day demand¹

How many Michiganders rely on natural gas?

Michigan had roughly 3.4 million residential natural gas customers in 2024, and natural gas is the primary heating fuel in more than 75% of Michigan households.²³

Does Michigan's clean-energy law affect gas utilities?

Indirectly but materially. The 2023 law (Public Act 235) puts electricity on a path to 100% clean by 2040 with a 50% renewable standard by 2030, and the MI Healthy Climate Plan targets carbon neutrality by 2050 — policy that raises electrification and declining-throughput risk for a heavily gas-heated state.⁵⁶

Who regulates Michigan's natural gas utilities?

The Michigan Public Service Commission regulates rates and service for the state's seven jurisdictional natural gas utilities, including Consumers Energy, DTE Gas, SEMCO Energy Gas, and Michigan Gas Utilities. Municipal systems are governed locally.⁹³

Why do Michigan gas bills keep rising?

The commodity is only part of it. In 2024 the citygate cost of gas was about \$3.63 per Mcf while residential customers paid \$10.76 — the difference is delivery, storage, and the aging infrastructure that capital programs are replacing.⁸

How does Invizion help Michigan gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how an accelerated main-renewal mandate, a rate-case outcome, a cold-winter reliability need, or long-run electrification reshuffles your whole project list, re-sequence the portfolio automatically, and keep a defensible record of every trade-off for the MPSC.

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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