Residential Natural Gas Market Survey 2000

American Gas Association

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2000

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Natural Gas Utility Industry
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INTRODUCTION

This year's report is the 53rd annual *Residential Natural Gas Market Survey* conducted by the American Gas Association (AGA). The data collected for 2000 provides a unique and comprehensive portrait of the residential natural gas market. Detailed information is presented by state and region, including customers, market share, inventory additions from new homes, and conversions from alternative fuels. Company-specific data are reported in Appendices 1, 2 and 3. Appendix 4 presents natural gas market shares data for the metropolitan statistical areas.

A total of 43 natural gas utility companies responded to this year's survey. This is a decline from the 64 utilities that responded to the 1999 survey. Some of the decline in the survey response rate can be attributed to mergers and acquisitions, and downsizing in the natural gas industry. Company-specific data were derived from the Energy Information Administration's Form 176 database. In addition, some state total data were derived from AGA's Gas Facts: 2000 survey responses. Individual company data are listed by region and state in Appendices 1, 2 and 3. Market share data by metropolitan statistical area are presented in Appendix 4. Please note that some tabular data may not add up to the totals shown due to rounding.

Incorporated in the survey results are data regarding new private housing completions from the U.S. Bureau of the Census. The source of these data is different from the statistics compiled from the survey respondents and should be evaluated separately.

Our thanks go to those companies participating in the *2000 Residential Natural Gas Market Survey* information-gathering effort. Their cooperation and support are the essential elements that have made this publication a primary source of natural gas utility industry data and an important industry reference.

I. EXECUTIVE SUMMARY

- The residential natural gas customer count reached 59 million in 2000, or 61 percent of total U.S. households. Approximately 83 percent of these natural gas customers use natural gas for house heating purposes.

- The natural gas share of new single-family housing completions matched or exceeded the electric share in all regions. Gas single-family homes completed in 2000 registered a 70 percent market share, the same as in 1999. New gas single-family home completions have exceeded all other energy sources for at least ten years (see Figure 1). When both single and multi-family units are considered, the gas share of new housing completions increased slightly to 65 percent compared to the previous year. The overall electric share fell to 32 percent in 2000.

- New additions to the number of residential customers totaled almost 971,000 in 2000. This represents an increase of 1.6 percent compared to last year.

- The 2000 survey results showed that roughly 12 percent of all new customers came from homes converted from another energy source to natural gas. The respondents were asked to provide a breakdown of conversions by fuel type. Based on these data, fuel oil conversions to natural gas accounted for 22 percent of all conversions. Approximately 35 percent of conversion customers had previously heated with electricity. The respondents were unable to identify the previous heating fuel for 43 percent of the homes.

- The overall market share for natural gas space heat in existing homes has remained constant at roughly 50 percent for the last twelve years. Natural gas water heaters have maintained a similar market share as well, while shares for gas cooking and clothes drying fell slightly to 35 percent and 22 percent, respectively.

- During 2000, almost $2.2 billion went to assist low-income households pay their energy bills or weatherize their homes. Most of the funding came from LIHEAP, with $1.1 billion in normal appropriations and $370 million in emergency funds. Utilities, both electric and natural gas, accounted for more than 17 percent ($380 million) of the total in the form of discounts, waivers, forgiveness of arrearages, and weatherization programs.