

# **RESIDENTIAL**

## Natural Gas Market Survey

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**February 2005**  
**(2003 Data)**

# RESIDENTIAL NATURAL GAS MARKET SURVEY

2003 DATA

56th Annual Survey of the  
U.S. Natural Gas Utility Industry

*Published by the Policy Analysis Group*  
*American Gas Association*  
400 N. Capitol Street, NW, Suite 450  
Washington, D.C. 20001  
[www.aga.org](http://www.aga.org)

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**AGA Catalog No. F00005**

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## **Introduction**

This year's report is the 56<sup>th</sup> annual *Residential Natural Gas Market Survey* conducted by the American Gas Association (AGA). The data collected for 2003 provide 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 A, B and C. Appendix D presents natural gas market shares data for the metropolitan statistical areas.

A total of 81 natural gas utility companies responded to this year's survey. This is an increase from the 62 utilities that responded to the 2002 survey. Company-specific data were derived from the Energy Information Administration's Form 176 database.

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 *2003 Residential Natural Gas Market Survey* information-gathering effort. Their cooperation and support are essential to making this publication a primary source of natural gas utility industry data and an important industry reference.

## **Executive Summary**

The residential natural gas customer count exceeded 61 million in 2003, or 62 percent, of total U.S. households. Eighty-four percent of these natural gas customers use natural gas for house heating purposes.

- In 2003, seven of every 10 newly built single-family homes (70 percent) featured gas heat – up two percentage points from the 68 percent gas-heat share in 2002. The gas space-heating share of new single-family housing completions exceeded the electric share in all but one region of the country. New gas single-family home completions have exceeded all other energy sources for at least eleven years (see Figure 1).
- In the new multi-family housing arena, gas market share for space heating increased six percentage points, from 45 percent in 2002 to 51 percent in 2003. When both single and multi-family units are considered, the gas heating share of new housing completions increased to 67 percent, compared to 64 percent the previous year. The overall electric share decreased by two percentage points to 31 percent in 2003.
- Net additions to the number of residential natural gas customers totaled 720,000 million in 2003. This represents a decrease of 15 percent compared to 2002.
- The 2003 survey results showed that roughly 17 percent of all new natural gas customers came from homes converted from another energy source. 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 50 percent of all conversions. Approximately 25 percent of conversion customers had previously heated with electricity. The respondents were unable to identify the previous heating fuel for 25 percent of the homes.
- The overall market share for natural gas space heat in existing homes remained at 52 percent in 2003. Natural gas water heaters have maintained a similar market share as well, while shares for gas cooking and clothes drying remained at 36 percent and 22 percent, respectively.
- During 2003, more than \$3.6 billion went to assist low-income households pay their energy bills or weatherize their homes. Most of the funding came from LIHEAP, with \$2.0 billion in normal appropriations and emergency funds. Utilities, both electric and natural gas, accounted for 26 percent (\$951 million) of the total in the form of discounts, waivers, forgiveness of arrearages, and weatherization programs.