

Retail Unbundling

This special report provides a brief summary of the status of retail unbundling programs (also known as "customer choice" programs) for residential natural gas customers in various States, as presented in the Energy Information Administration (EIA) web site at: <http://www.eia.doe.gov/oil_gas/natural_gas/restructure/restructure.html>.

State programs to allow residential natural gas users to select their gas suppliers are spreading throughout the country. However, the availability, characteristics, and participation rates of these "customer choice" programs vary widely across States. Three States (New Mexico, New York, and West Virginia) allow all residential consumers to choose their own natural gas suppliers, while eight States (California, Colorado, Georgia, Maryland, Massachusetts, New Jersey, Ohio, and Pennsylvania) have begun to implement statewide programs (Figure SR1). Another nine States (Illinois, Indiana, Michigan, Montana, Nebraska, South Dakota, Virginia, Wisconsin, and Wyoming) and the District of Columbia have pilot or partial unbundling programs in place, and Delaware will start its pilot in November 1999. An additional 11 States (Iowa, Kansas, Kentucky, Maine, Minnesota, Nevada, New Hampshire, Oklahoma, South Carolina, Texas, and Vermont) are considering action on customer choice, while the 18 other States have thus far taken no action.

Consumer reaction to these choice programs has been mixed (Table SR1). In some States, such as Nebraska, 97 percent of the eligible residential and commercial customers are electing to choose their own suppliers. In other States, such as Indiana and New York, participation is 2 percent or less of those eligible. Large commercial and industrial consumers have had the option of purchasing the natural gas commodity separately from transportation and other services for many years. State regulators and lawmakers, who are responsible for designing and implementing retail restructuring programs, have moved more slowly in implementing choice programs for residential and small-volume commercial customers, traditionally known as "core" consumers, until they could ensure reliable service. In several cases, a local distribution company has initiated the development of a choice program for its customers.

Figure SR1. Status of Retail Choice Programs for Residential Natural Gas Customers by State, July 1999

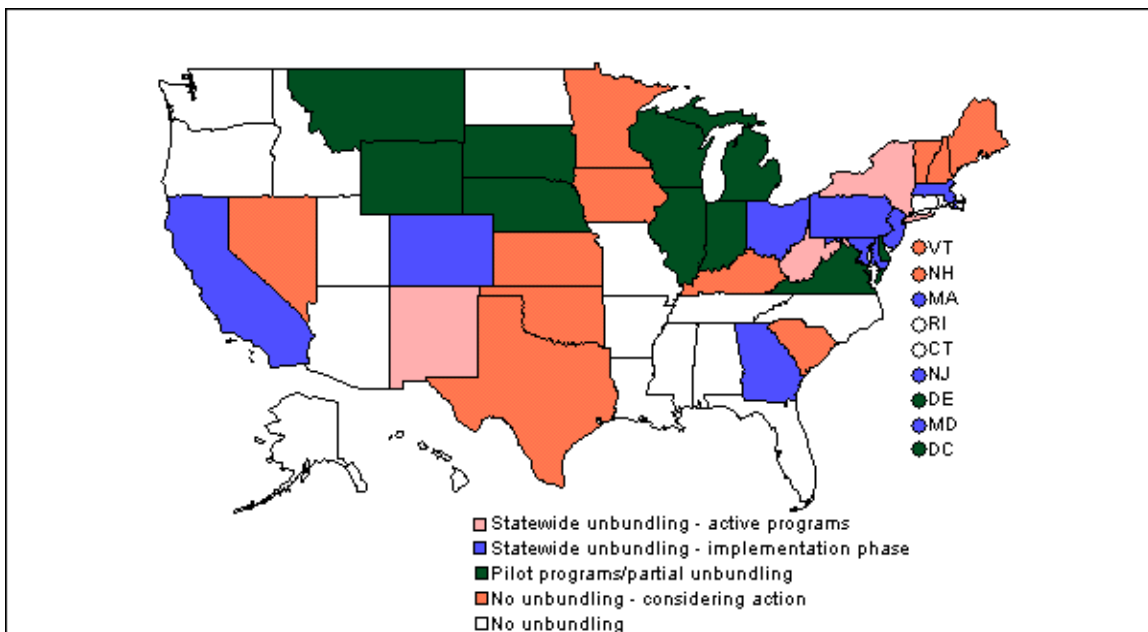


Table SR1. Status of Retail Choice Programs for Residential Customers as of July 1999

Category/State	Number of Residential Customers					
	Total 1997	Eligible		Participating		
		Total	Percent of 1997 Total	Total	Percent of Eligible	Percent of 1997 Total
Statewide Unbundling: Active Programs						
New Mexico	443,167	443,167	100	0	0	0
New York	4,077,385	4,077,385	100	58,488	1.4	1.4
West Virginia	362,432	362,432	100	58	0.02	0.02
Subtotal	4,882,984	4,882,984	100	58,546	1.2	1.2
Statewide Unbundling: Implementation Phase						
Georgia	1,553,948	1,262,505	81.2	839,000	66.5	54.0
Maryland	890,195	384,362	43.2	83,775	21.8	9.4
Massachusetts	1,204,494	83,000	6.9	18,767	22.6	1.6
New Jersey	2,193,629	54,100	2.5	54,100	100	2.5
Ohio	3,041,948	1,716,873	56.4	456,058	26.6	15.0
Subtotal	8,884,214	3,500,840	39.4	1,451,700	41.5	16.3
Pilot Programs/Partial Unbundling						
D.C.	135,000	135,000	100	7,500	5.6	5.6
Illinois	3,521,707	27,000	0.8	8,100	30.0	0.2
Indiana	1,509,142	610,000	40.4	6,004	1.0	0.4
Michigan	2,859,483	NA	--	192,660	--	6.7
Nebraska	444,970	76,716	17.2	74,000	96.5	16.6
Virginia	812,866	53,000	6.5	16,000	30.2	2.0
Wisconsin	470,045	20,000	4.3	1,526	7.6	0.3
Subtotal	9,753,213	*921,716	*13.4	305,790	*12.3	3.1
Total Programs	23,520,411	*9,305,540	*45.0	1,816,036	*17.5	7.7
U.S. 1997 Total	56,186,958	--	--	--	--	--

*Excludes Michigan.

NA = Not available. -- = Not applicable.

Note: Three other States (California, Colorado, and Pennsylvania) are in the implementation phase of statewide unbundling, but eligibility and participation data are not available. Also, four other States (Delaware (pilot begins in November 1999), Montana, South Dakota, and Wyoming) have pilot programs or partial unbundling, but residential data are not available.

Sources: **Total 1997:** Energy Information Administration, *Natural Gas Annual 1997* (October 1998). **Eligibility and Participation:** State public utility commissions (June 1999).

To find out more about the status of choice programs for residential natural gas customers in each of the 50 States and the District of Columbia, visit the EIA web site at <http://www.eia.doe.gov/oil_gas/natural_gas/restructure/restructure.html>. The site also includes the most recent (1997) EIA annual price and consumption data for the residential and commercial sectors and average city gate prices. When possible, these data are compared with information obtained from the State public utility commissions or local distribution companies to provide information on the level of participation in the customer choice programs.

More detailed information about the various State programs will be added to the web site at a later date.

EIA also has a web site that provides information about various aspects of the restructuring and deregulation of the electric power industry. For information on developments by State in the electric power industry, visit the EIA web site at: <<http://www.eia.doe.gov/cneaf/electricity/page/restructure.html>>.