

Overview

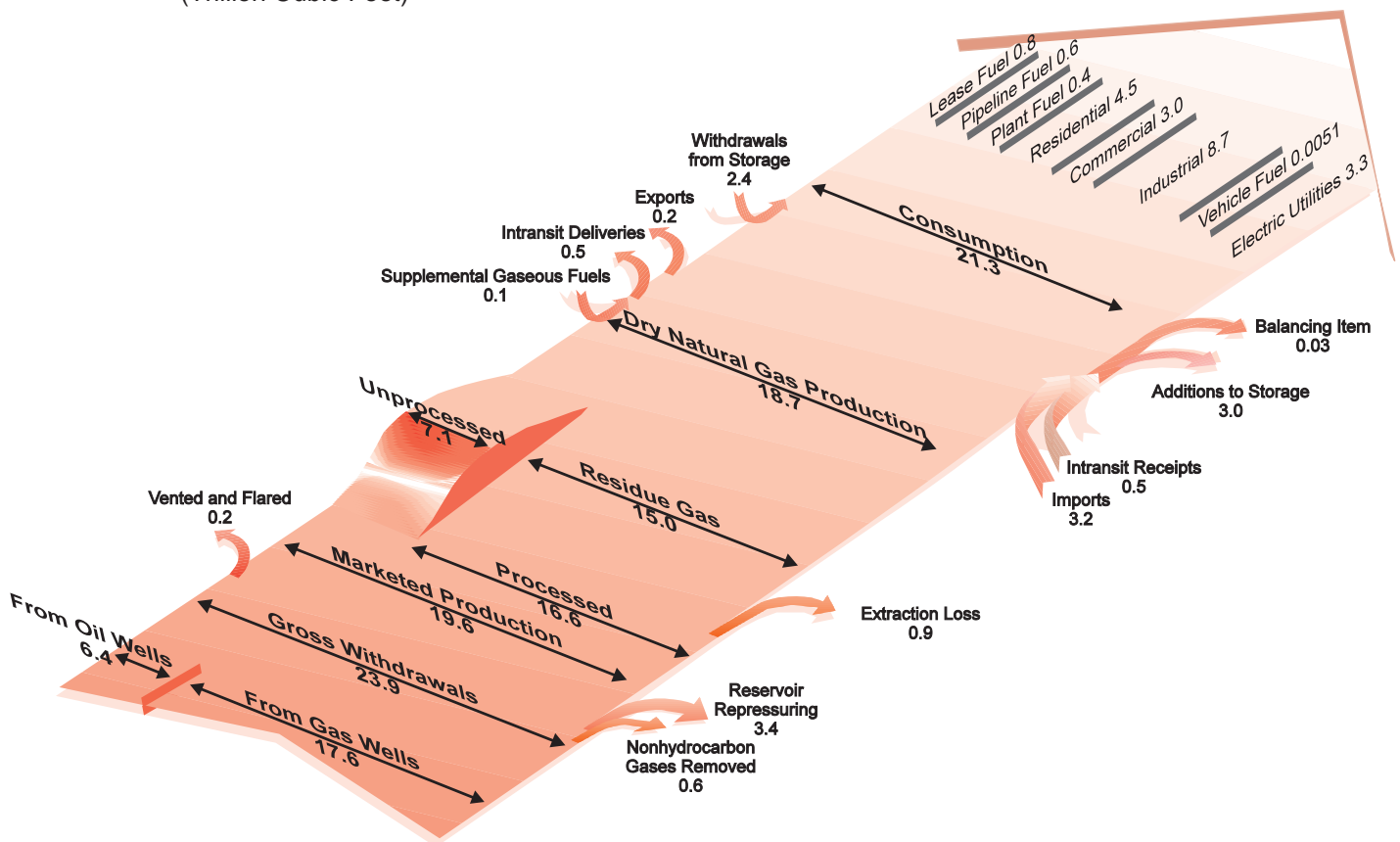
During 1998, the natural gas industry showed modest declines in both production and end-use consumption. Production decreased slightly, by 1 percent, to 18.7 trillion cubic feet. Consumption fell in nearly every end use sector, contributing to an overall drop of 3 percent. Declines in consumption were seen in the residential, commercial, and industrial sectors. These decreases were somewhat offset by an increase in deliveries to electric utilities, attributed in part to the warmer-than-normal summer weather seen during 1998. Natural gas prices also fell in 1998 from the wellhead to every end use sector except vehicle fuel.

Imports took on a greater role in meeting supply during 1998, contributing a 15-percent share of U.S. gas consumption, compared with a 5-percent share in the early 1980's. Underground storage continued to enable supply reliability during periods when demand was high.

Some of the national highlights of 1998 were:

- Total natural gas consumption declined to 21.3 trillion cubic feet. This level was 3 percent below the 1997 and 1996 levels. Higher natural gas use by the electric

Figure 1. Natural Gas Flow Diagram, 1998
(Trillion Cubic Feet)



Note: Totals may not equal sum of components due to independent rounding.

Sources: Energy Information Administration (EIA), Form EIA-176, "Annual Report of Natural and Supplemental Gas Supply and Disposition"; Form EIA-895, "Monthly Quantity and Value of Natural Gas Report"; Form EIA-816, "Monthly Natural Gas Liquids Report"; Form EIA-759, "Monthly Power Plant Report"; Office of Fossil Energy, U.S. Department of Energy, Natural Gas Imports and Exports; *U.S. Crude Oil, Natural Gas, and Natural Gas Liquids Reserves, Annual Reports*, DOE/EIA-0216, and the U.S. Minerals Management Service.