

Cautionary Note: Number of Residential and Commercial Consumers

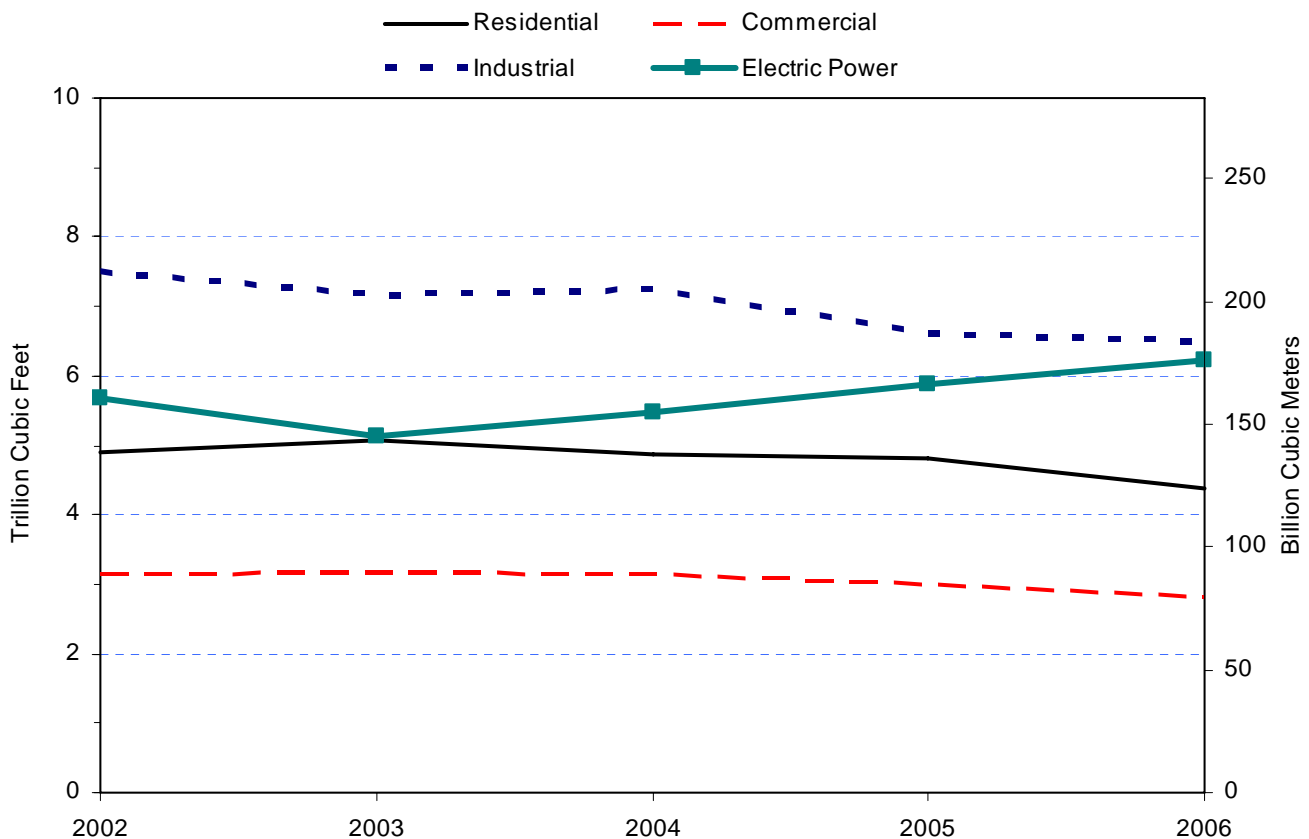
The Energy Information Administration (EIA) expects that there may be some double counting in the number of residential and commercial customers reported for 2002 through 2006.

EIA collects information on the number of residential and commercial consumers through a survey of companies that deliver gas to consumers (Form EIA-176). The survey asks companies for the number of residential and commercial customers served as sales customers as well as customers to whom they deliver gas purchased from others. Traditionally, residential and commercial customers obtained the gas and all services associated with delivering it from their local distribution company (LDC). The LDC records these customers as sales customers. Customer choice programs allow consumers to select the provider from whom they purchase gas. When customers elect to purchase gas from a provider other than the LDC, the LDC continues to deliver the gas to the customer even though it no longer sells the gas. When customers switch to another provider, they become transportation service customers for the LDC. A residential or commercial customer who enters a customer choice program may be classified both as a traditional sales customer and, after entering the program, as a transportation service customer. In addition, double counting may occur if customers switch back from transportation service to sales service or if customers use both sales and transportation services throughout the year. This double reporting affects the number of residential and commercial consumers shown in the *Natural Gas Annual*.

Tables 19 and 20 assist readers in evaluating the extent and possible effect of double reporting. The number of residential and commercial sales and transportation service customers is reported on Form EIA-176 for 2005 and 2006.

Customer choice programs, also known as retail unbundling programs vary by state in terms of characteristics, date of implementation and number of participants. A description of these programs for States offering customer choice is on the EIA web site at: www.eia.doe.gov/oil_gas/natural_gas/restructure/restructure.html.

Figure 15. Natural Gas Delivered to Consumers in the United States, 2002-2006



Sources: Energy Information Administration (EIA), Form EIA-176, "Annual Report of Natural and Supplemental Gas Supply and Disposition," and Form EIA-906, "Power Plant Report."