

RESIDENTIAL

Natural Gas Market Survey



**December 2006
(2005 Data)**



RESIDENTIAL NATURAL GAS MARKET SURVEY

2005 DATA

58th Annual Survey of the
U.S. Natural Gas Utility Industry

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Introduction

This year's report is the 58th annual *Residential Natural Gas Market Survey* conducted by the American Gas Association (AGA). The data collected for 2005 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 61 natural gas utility companies responded to this year's survey. This is an increase from the 54 utilities that responded to last year's 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 as well as existing homes 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 this *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.



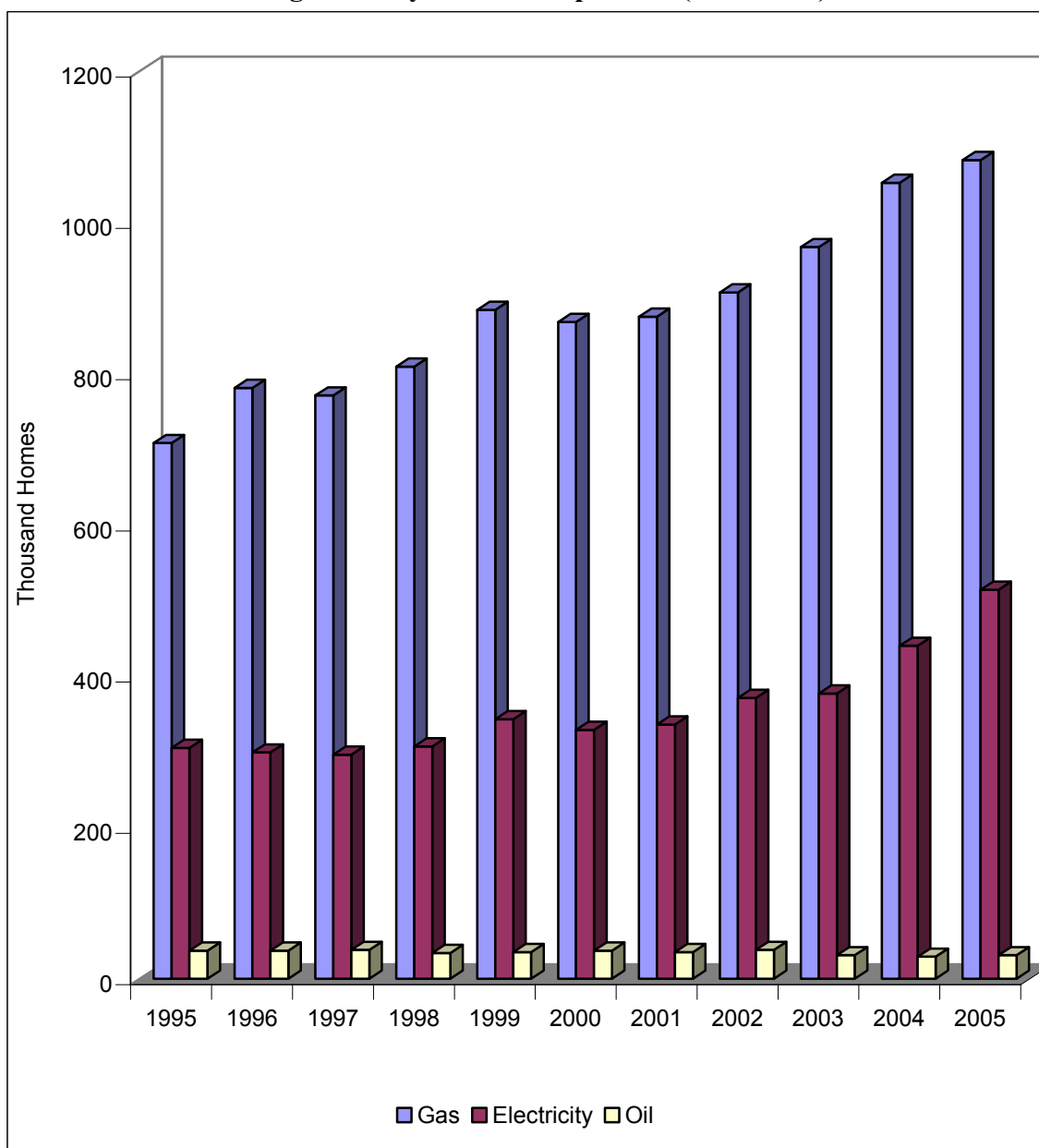
Executive Summary

In 2005, 61 percent of U.S. households, or 63 million customers, had natural gas service. Eighty-four percent of these natural gas customers used natural gas for house heating purposes.

- Natural gas remained the United States' most popular energy source for home heating, with a 51 percent residential market share. Put another way, natural gas heated more homes in this country than all other energy sources combined – electricity was 33 percent, heating oil eight percent, propane six percent, and other two percent.
- In 2005, two-thirds of every newly built single-family homes (66 percent) featured gas heat – down three percentage points from the 69 percent gas-heat share in 2004. 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 declined three percentage points, from 46 percent in 2004 to 43 percent in 2005. When both single and multi-family units are considered, the gas heating share of new housing completions fell to 63 percent, compared to 65 percent the previous year. The overall electric share increased by two percentage points to 35 percent in 2005.
- Net additions to the number of residential natural gas customers totaled 1.1 million in 2005. This represents a 1.8 percent increase in total customer compared to 2004.
- The 2005 survey results showed that roughly 12 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 52 percent of all conversions. Approximately 19 percent of conversion customers had previously heated with electricity. The respondents were unable to identify the previous heating fuel for 29 percent of the homes.
- Natural gas water heaters have maintained a 52 percent market share, while shares for gas cooking and clothes drying dropped one percentage point to 35 percent and 21 percent, respectively.
- During 2005, almost \$4.2 billion went to assist low-income households pay their energy bills or weatherize their homes. Most of the funding came from the federal Low-Income Home Energy Assistance Program (LIHEAP), with \$2.1 billion in normal appropriations and emergency funds. Utilities, both electric and natural gas, accounted for 32 percent (\$1.3 billion) of the total in the form of discounts, waivers, forgiveness of arrearages, and weatherization programs.



Figure 1
Gas Heat is Preferred in New Homes Over Electricity and Oil
Single-Family Home Completions (1995-2005)



Source: U.S. Bureau of the Census, *Characteristics of New Housing 2005*

NOTE: Gas includes both propane and natural gas.

United States Housing Market in 2005

New Housing Completions

Home-building remained strong in 2005, with 1,932,000 homes being built, a five percent increase from 2004.

Gas heat continued to dominate the new single-family home market. According to the U.S. Bureau of the Census, new single-family completions heated by gas exceeded one million for the second year in a row (1,082,000) in 2005, up from 1,052,000 in 2004. Gas heating market share fell slightly 66 percent in 2005, compared to 69 percent in 2004. The 2005 electric heating market share of new home completions reached 31 percent, an increase from 2004. Single-family home completions heated by gas exceeded electric completions for the 19th consecutive year.

In the new multi-family housing arena, gas market share for space heating decreased from 46 percent in 2004 to 43 percent in 2005. The total number of multi-family units completed in 2004 decreased to 296,000 compared to 310,000 in 2004. Market share for electric heat increased by two percentage points compared to 2004, reaching 55 percent in 2005. Gas-heated multi-family units numbered 126,000 compared with 162,000 electric units in 2005.

When both single and multi-family units are considered, the market share of new housing heated by gas in 2005 was 63 percent. The overall 2005 electric house heating market share increased two percentage points to 35 percent in 2005 compared to 2004.

Tables 1 and 2 present the regional breakdown of units completed by type of fuel. Single-family home completions heated by gas outnumbered electric completions in all regions except the South. The gas market shares in the Northeast, Midwest, South and West regions were 73 percent, 90 percent, 42 percent and 89 percent, respectively. In the multi-family sector, gas completions exceeded electric in all regions but the South.

Table 3 shows new housing market share data from 1995 to 2005. The Census data show that overall, new housing market share of gas heat has been higher than electric for at least the last eleven years. The market share did not change much between those years, from 63 percent gas and 33 percent electric in 1994 to 63 percent gas and 35 percent electric in 2005.

Table 1

2005 Private Housing Completions by Heating Fuel
(Thousands of Units)

	Share	Units (Thousands)				
	(%)	U.S.	Northeast	Midwest	South	West
Single-Family						
Gas ¹	66%	1,082	96	277	320	389
Electricity	31%	514	6	29	438	41
Oil	2%	31	29	Z	1	Z
Other ²	1%	9	1	2	1	7
Subtotal	100%	1,636	132	307	760	437
Multi-Family						
Gas ¹	43%	126	33	32	17	44
Electricity	55%	162	1	12	126	22
Oil	2%	5	5	0	0	0
Other	NA	NA	NA	NA	NA	NA
Subtotal	100%	296	39	45	143	69
Combined						
Gas ¹	63%	1,208	129	309	337	433
Electricity	35%	676	7	41	564	63
Oil	2%	36	34	0	1	0
Other ²	1%	9	1	2	1	7
TOTAL	100%	1,932	171	352	903	506
Heat Pump³						
Single-Family	26%	474	10	29	401	34
Multi-Family	31%	107	3	6	80	18
Combined	27%	581	13	35	481	52
Manufactured Homes⁴		123	9	17	68	28

¹Includes propane.

²Includes wood, coal, solar and other fuels.

³Subset of electricity. Share information reflects total market.

⁴Not included in the totals for Single-Family, Multi-Family, or Combined. Heating fuel information not available for manufactured homes. Source: U.S. Bureau of the Census Website.

Z = Less than 500 units or less than 0.5 percent.

NA = Not available

Note: Components may not add to totals due to rounding and withheld data

Source: U.S. Bureau of the Census, *Characteristics of New Housing: 2005*



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Table 2

A Comparison of 2004 & 2005 Private Housing Completions
(Percent of Market)

	<u>U.S. Total</u>		<u>Northeast</u>		<u>Midwest</u>		<u>South</u>		<u>West</u>	
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>
Single-Family										
Gas ¹	69%	66%	73%	73%	91%	90%	45%	42%	91%	89%
Electricity	29%	31%	4%	5%	8%	9%	54%	58%	7%	9%
Oil	2%	2%	23%	22%	Z	Z	Z	Z	Z	Z
Other	1%	1%	Z	Z	1%	1%	Z	Z	2%	1%
Multi-Family										
Gas ¹	46%	43%	93%	85%	73%	72%	12%	12%	67%	64%
Electricity	53%	55%	5%	3%	27%	28%	88%	88%	31%	33%
Oil	Z	2%	2%	12%	0%	0%	0%	0%	Z	Z
Other	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Combined										
Gas ¹	65%	63%	78%	75%	88%	88%	40%	37%	87%	86%
Electricity	33%	35%	4%	4%	11%	12%	60%	62%	11%	12%
Oil	2%	2%	19%	20%	0%	0%	0%	0%	0%	0%
Other	1%	1%	0%	0%	1%	0%	1%	0%	1%	1%

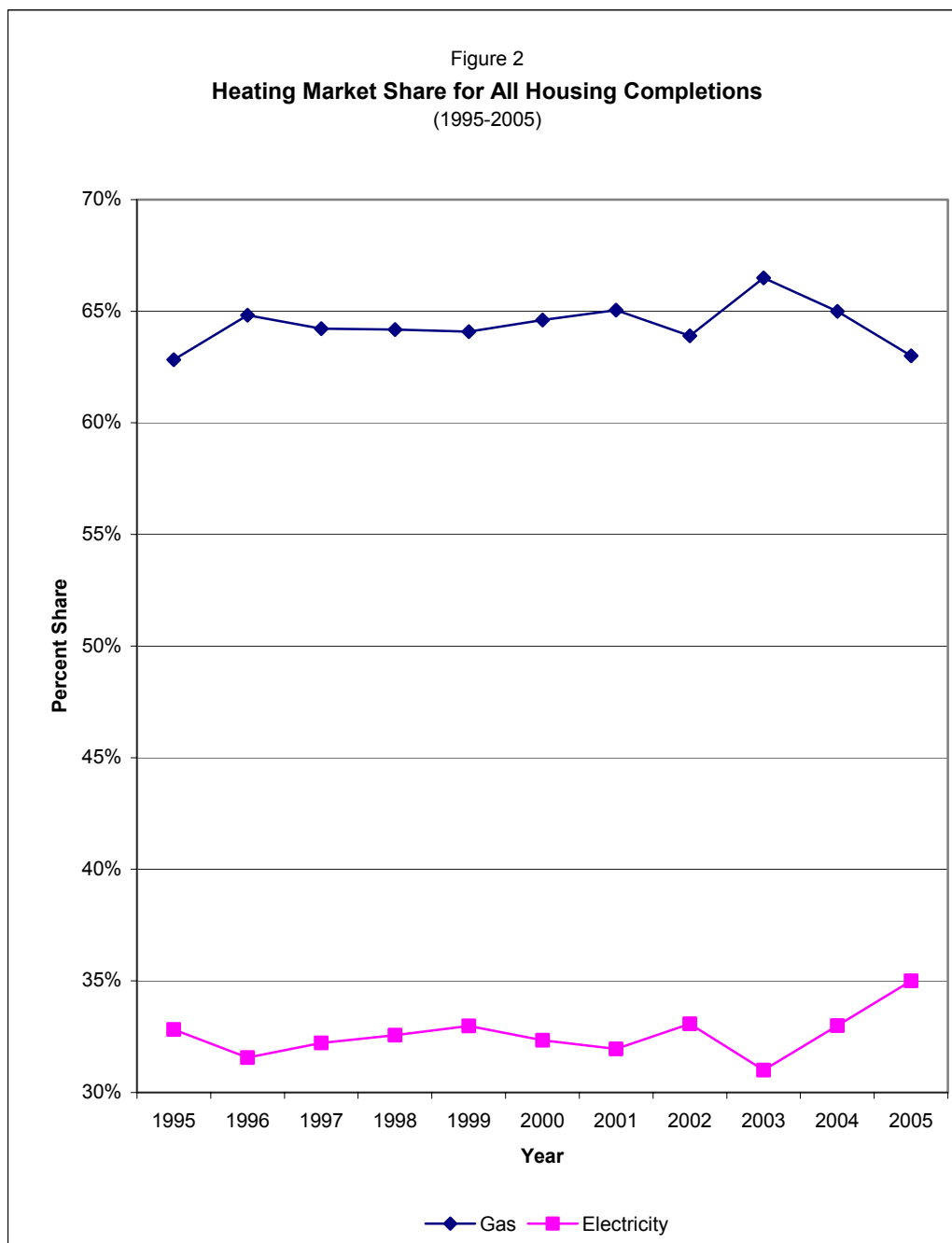
¹Includes propane.

Z = Less than 500 units or less than 0.5 percent.

NA = Not available

Note: Percentages may not add up to 100% due to rounding

Source: U.S. Bureau of the Census, *Characteristics of New Housing: 2005*



Source: See Table 3

NOTE: Gas includes natural gas and propane.

Table 3

**Market Share of Private Housing Completions by Heating Fuel
(1995-2005)**

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Single-Family											
Gas ¹	67%	69%	69%	70%	70%	70%	70%	68%	70%	69%	66%
Electricity	28%	26%	26%	26%	27%	27%	27%	28%	27%	29%	31%
Oil	3%	3%	3%	3%	3%	3%	3%	3%	2%	2%	2%
Other	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Multi-Family											
Gas ¹	47%	48%	45%	44%	43%	45%	47%	45%	51%	46%	43%
Electricity	51%	52%	54%	55%	55%	54%	53%	54%	48%	53%	55%
Oil	1%	0%	0%	1%	1%	Z	Z	Z	Z	Z	2%
Other	1%	NA	NA	1%	NA	NA	NA	NA	NA	NA	NA
Combined											
Gas ¹	63%	65%	64%	64%	64%	65%	65%	64%	67%	65%	63%
Electricity	33%	32%	32%	33%	33%	32%	32%	33%	31%	33%	35%
Oil	3%	2%	3%	3%	2%	2%	2%	2%	2%	2%	2%
Other	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

¹Includes propane.

S = Data withheld because they did not meet publication standards on the basis of response rate, associated standard error or consistency review.

Z = Less than 500 units or less than 0.5 percent.

NA = Not available

Note: Percentages may not add up to 100% due to rounding

Source: U.S. Bureau of the Census, *Characteristics of New Housing: 2005*

Existing Housing

According to the U.S. Census Bureau, more than half of the existing housing units in 2005 used natural gas to heat their homes, accounting for 56 million (or 51 percent) of the total 110 million occupied housing units in the U.S. (see Table 4).

Gas holds the largest market share in the Midwest, where 70 percent of the homes in that region have gas-heating systems. Gas heating beats out the competition in the Northeast and West regions of the country. Natural gas house-heating market share in the Northeast was 50 percent, while the natural gas share was 61 percent in the West. Gas has the lowest market share in the warmer climate of the South. About 34 percent of the houses in the South used natural gas space heating in 2005.

Table 4
2005 Household Space-Heating Market Share

	<u>NATURAL GAS</u>	<u>ELECTRICITY</u>	<u>FUEL OIL</u>	<u>PROPANE</u>	<u>OTHER</u>
UNITED STATES	51%	33%	8%	6%	2%
NORTHEAST	50%	12%	32%	3%	2%
<i>NEW ENGLAND</i>	<i>34%</i>	<i>11%</i>	<i>47%</i>	<i>5%</i>	<i>3%</i>
Connecticut	30%	15%	51%	3%	1%
Maine	3%	5%	78%	6%	7%
Massachusetts	47%	13%	36%	3%	1%
New Hampshire	19%	8%	56%	13%	5%
Rhode Island	48%	8%	41%	2%	1%
Vermont	14%	4%	56%	15%	10%
<i>MIDDLE ATLANTIC</i>	<i>56%</i>	<i>12%</i>	<i>27%</i>	<i>3%</i>	<i>2%</i>
New Jersey	70%	11%	16%	2%	1%
New York	52%	9%	34%	3%	2%
Pennsylvania	52%	17%	24%	4%	3%
MIDWEST	70%	16%	3%	9%	2%
<i>EAST NORTH CENTRAL</i>	<i>73%</i>	<i>15%</i>	<i>3%</i>	<i>8%</i>	<i>2%</i>
Illinois	81%	13%	0%	5%	1%
Indiana	64%	23%	2%	9%	2%
Michigan	78%	7%	3%	10%	2%
Ohio	68%	19%	4%	6%	2%
Wisconsin	66%	13%	6%	11%	4%
<i>WEST NORTH CENTRAL</i>	<i>63%</i>	<i>20%</i>	<i>2%</i>	<i>12%</i>	<i>3%</i>
Iowa	67%	15%	2%	14%	2%
Kansas	72%	17%	0%	9%	2%
Minnesota	68%	13%	5%	11%	3%
Missouri	57%	27%	1%	12%	4%
Nebraska	66%	21%	1%	9%	2%
North Dakota	42%	32%	7%	16%	3%
South Dakota	49%	22%	5%	20%	3%
SOUTH	34%	55%	3%	7%	2%
<i>SOUTH ATLANTIC</i>	<i>27%</i>	<i>61%</i>	<i>5%</i>	<i>6%</i>	<i>2%</i>
Delaware	38%	27%	21%	12%	1%
District of Columbia	65%	29%	4%	1%	1%
Florida	5%	92%	1%	2%	0%
Georgia	47%	43%	1%	9%	1%
Maryland	46%	36%	14%	4%	1%
North Carolina	26%	52%	9%	12%	2%
South Carolina	26%	62%	3%	7%	1%
Virginia	35%	46%	11%	5%	3%
West Virginia	47%	35%	6%	6%	7%
<i>EAST SOUTH CENTRAL</i>	<i>37%</i>	<i>49%</i>	<i>1%</i>	<i>10%</i>	<i>2%</i>
Alabama	36%	51%	0%	12%	1%
Kentucky	43%	43%	2%	9%	3%
Mississippi	35%	46%	0%	17%	2%
Tennessee	36%	54%	1%	7%	2%
<i>WEST SOUTH CENTRAL</i>	<i>43%</i>	<i>49%</i>	<i>0%</i>	<i>6%</i>	<i>1%</i>
Arkansas	46%	38%	0%	11%	5%
Louisiana	42%	53%	0%	4%	1%
Oklahoma	59%	29%	0%	9%	3%
Texas	41%	54%	0%	5%	1%
WEST	61%	30%	2%	4%	3%
<i>MOUNTAIN</i>	<i>59%</i>	<i>31%</i>	<i>1%</i>	<i>6%</i>	<i>4%</i>
Arizona	36%	57%	0%	4%	2%
Colorado	75%	16%	0%	6%	3%
Idaho	49%	33%	4%	6%	8%
Montana	59%	17%	2%	13%	9%
Nevada	60%	33%	1%	4%	1%
New Mexico	67%	15%	0%	11%	7%
Utah	85%	10%	0%	3%	2%
Wyoming	64%	18%	0%	11%	7%
<i>PACIFIC</i>	<i>61%</i>	<i>30%</i>	<i>2%</i>	<i>3%</i>	<i>3%</i>
Alaska	48%	11%	36%	1%	4%
California	70%	23%	0%	4%	2%
Hawaii	8%	84%	0%	4%	4%
Oregon	38%	48%	5%	2%	8%
Washington	35%	52%	4%	4%	5%

Source: U.S. CENSUS BUREAU, 2005 American Community Survey

Table 5 illustrates the changing nature of household space-heating energy. In the 1940s and 1950s, coal or coke was the dominant fuel, with wood enjoying a large market share. Since then, use of those fuels in homes has dropped dramatically. Fuel oil gained its largest market share in the 1960s, but its popularity has declined since. Propane has gained in market share somewhat over the time period. Electricity increased significantly since 1950, particularly after 1970 when the heat pump became popular. Natural gas' popularity increased substantially over the time period – the advent of the interstate pipeline system and the expansion of local distribution networks increased the availability of this fuel.

Natural gas has been the preferred home-heating energy source since 1960.

Table 5

Historic Household Space-Heating Market Shares								
<u>Year</u>	<u>Utility Gas</u>	<u>Bottled, Tank, or LP Gas</u>	<u>Electricity</u>	<u>Fuel Oil, Kerosene, Etc.</u>	<u>Coal or Coke</u>	<u>Wood</u>	<u>Other Fuel</u>	<u>No Heat</u>
1940	11.3%	NA	NA	10.0%	54.7%	22.8%	0.4%	0.8%
1950	26.6%	2.3%	0.7%	22.6%	34.6%	10.0%	1.8%	1.4%
1960	43.1%	5.1%	1.8%	32.4%	12.2%	4.2%	0.4%	0.9%
1970	55.2%	6.0%	7.7%	26.0%	2.9%	1.3%	0.4%	0.6%
1980	53.1%	5.6%	18.4%	18.2%	0.6%	3.2%	0.2%	0.7%
1990	51.0%	5.7%	25.8%	12.2%	0.4%	3.9%	0.4%	0.6%
2000	51.2%	6.5%	30.3%	9.0%	0.1%	1.7%	0.4%	0.7%

Source: U.S. Bureau of the Census

Residential Natural Gas Customers in 2005

Total Residential Customers

Based on the Energy Information Administration's Form 176 database, the total number of residential natural gas customers reached more than 63 million in 2005. This represents a 1.8 percent increase from 2004.

House-Heating Customers

Based on AGA survey responses and Census information, approximately 84 percent of all residential natural gas customers used gas to heat their homes (see Table 6). The East North Central region of the country had the highest penetration, in excess of 94 percent in 2005, while the New England region had the lowest penetration, around 66 percent.

Natural Gas Customer and Unit Additions

The number of natural gas customers increased 1.1 million in 2005. The Mountain region had the highest percentage increase in customers (more than four percent) while the Middle Atlantic region registered a small decline in customers.

Most of the additions were estimated to be from new construction. Of the total additions reported by the survey respondents, 12 percent were from conversions of customers from another fuel. Other factors that should be considered include reductions in the number of customers (demolition, conversion to another fuel, etc.) and reclassification of customers from master-metered apartments to individual meters.

House-Heating Conversions

In 2005, companies responding to the survey reported that 48,166 new customers came from homes converted from another fuel 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 52 percent of all conversions. Approximately 19 percent of conversion customers had previously heated with electricity. The respondents were unable to identify the previous heating fuel for 29 percent of the homes.

Table 6: 2005 Gas Customers and Unit Additions

Region, Division and State	GAS CUSTOMERS			NET GAS UNIT ADDITIONS	
	Total(1)	House Heating(2)	Percent Heating(2)	Total(1)	Est. Share of Additions from Conversions(3)
UNITED STATES	63,573,466	53,401,711	84.0%	1,104,324	12%
NORTHEAST					
NEW ENGLAND	2,143,170	1,410,800	65.8%	4,749	
Connecticut	475,221	334,080	70.3%	5,889	
Maine	18,633	12,838	68.9%	(74)	
Massachusetts	1,297,508	820,025	63.2%	(8,634)	43%
New Hampshire	94,473	65,186	69.0%	5,873	
Rhode Island	224,320	155,229	69.2%	651	
Vermont	33,015	23,441	71.0%	1,044	74%
MIDDLE ATLANTIC	9,370,253	7,059,203	75.3%	(3,221)	
New Jersey	2,540,283	1,983,961	78.1%	(42,431)	32%
New York	4,229,396	3,049,395	72.1%	30,094	39%
Pennsylvania	2,600,574	2,025,847	77.9%	9,116	17%
MIDWEST					
EAST NORTH CENTRAL	13,730,044	12,921,423	94.1%	407,264	
Illinois	3,975,783	3,665,672	92.2%	221,651	3%
Indiana	1,701,577	1,565,451	92.0%	112,839	
Michigan	3,187,756	3,028,368	95.0%	26,386	4%
Ohio	3,272,307	3,125,053	95.5%	23,486	
Wisconsin	1,592,621	1,536,879	96.5%	22,902	
WEST NORTH CENTRAL	5,192,332	4,802,113	92.5%	55,244	
Iowa	850,095	790,588	93.0%	10,680	4%
Kansas	856,369	766,450	89.5%	1,292	1%
Minnesota	1,364,237	1,302,846	95.5%	26,176	4%
Missouri	1,348,743	1,207,125	89.5%	1,970	2%
Nebraska	501,279	481,228	96.0%	3,888	2%
North Dakota	114,152	109,015	95.5%	1,886	
South Dakota	157,457	144,860	92.0%	9,352	
SOUTH					
SOUTH ATLANTIC	6,704,940	5,170,475	77.1%	181,641	
Delaware	137,115	113,120	82.5%	3,918	
District of Columbia	141,012	119,860	85.0%	2,878	9%
Florida	656,069	392,985	59.9%	17,712	8%
Georgia	1,770,757	1,476,811	83.4%	20,012	
Maryland	1,024,955	815,864	79.6%	24,796	5%
North Carolina	992,906	727,800	73.3%	44,623	
South Carolina	541,523	408,850	75.5%	14,515	9%
Virginia	1,066,302	808,257	75.8%	36,913	6%
West Virginia	374,301	306,927	82.0%	16,274	
EAST SOUTH CENTRAL	3,058,320	2,567,983	84.0%	2,775	
Alabama	799,256	648,996	81.2%	(6,919)	2%
Kentucky	770,080	657,648	85.4%	3,351	7%
Mississippi	439,952	371,759	84.5%	(5,260)	
Tennessee	1,049,032	889,579	84.8%	11,603	13%
WEST SOUTH CENTRAL	6,311,773	5,022,985	79.6%	10,815	
Arkansas	555,861	468,591	84.3%	917	
Louisiana	896,992	713,109	79.5%	(38,159)	
Oklahoma	880,165	773,665	87.9%	8,403	
Texas	3,978,755	3,067,620	77.1%	39,654	1%
WEST					
MOUNTAIN	5,210,697	4,396,843	84.4%	203,157	
Arizona	1,042,662	613,085	58.8%	48,777	
Colorado	1,524,813	1,462,296	95.9%	29,262	3%
Idaho	301,357	250,126	83.0%	12,977	9%
Montana	240,554	210,485	87.5%	4,043	
Nevada	688,058	599,987	87.2%	39,507	1%
New Mexico	530,277	440,660	83.1%	24,304	
Utah	743,761	698,392	93.9%	42,506	
Wyoming	139,215	121,813	87.5%	1,781	
PACIFIC	11,851,937	10,142,387	85.6%	241,900	
Alaska	108,401	100,271	92.5%	4,041	
California	10,124,433	8,666,515	85.6%	167,016	
Hawaii	26,219	-	0.0%	(36)	
Oregon	626,685	506,988	80.9%	31,190	35%
Washington	966,199	868,613	89.9%	39,689	18%

N/A = Insufficient data available due to lack of survey response.

¹Derived from Energy Administration Form 176 Database (see Appendix 3)²Derived from survey responses and Census information³Based on survey responses only: Does not reflect entire population.

Natural Gas Appliance Market Share and Consumption

Market Share of Natural Gas Appliances in Residences

The Department of Commerce's Bureau of the Census reports the number of residences in the United States by region, along with type of fuels in various applications. This report, American Housing Survey, is released every two years and reflects the number of existing households at a particular time. Therefore, the data does not represent the beginning or end of a year. The tables below represent the most recent Census data from that report.

Table 7

Market Share of Natural Gas Space Heating from 1987- 2005

	<u>2005</u>	<u>2003</u>	<u>2001</u>	<u>1999</u>	<u>1997</u>	<u>1995</u>	<u>1993</u>	<u>1991</u>	<u>1989</u>	<u>1987</u>
Northeast	48%	47%	46%	45%	45%	43%	43%	42%	40%	40%
Midwest	71%	72%	71%	70%	70%	70%	70%	70%	71%	70%
South	34%	35%	35%	35%	36%	35%	36%	36%	37%	38%
West	65%	65%	64%	63%	62%	62%	61%	60%	61%	62%
U.S. Total	52%	52%	52%	51%	51%	51%	51%	50%	51%	51%

According to the U.S. Department of Commerce's Census Bureau, the market share of natural gas in the residential space heating sector has remained at 50 - 52 percent over the last 18 years. The largest gain in market share for natural gas furnaces was in the Northeast region, where gas grew by eight percentage points. The South exhibited a loss in market share, where gas dropped four percentage points.

Table 8

Market Share of Natural Gas Cooking from 1987- 2005

	<u>2005</u>	<u>2003</u>	<u>2001</u>	<u>1999</u>	<u>1997</u>	<u>1995</u>	<u>1993</u>	<u>1991</u>	<u>1989</u>	<u>1987</u>
Northeast	49%	49%	48%	48%	48%	49%	48%	48%	49%	50%
Midwest	37%	38%	38%	39%	39%	39%	40%	40%	41%	40%
South	21%	22%	22%	22%	23%	23%	24%	24%	25%	26%
West	44%	44%	42%	41%	41%	41%	40%	40%	39%	39%
U.S. Total	35%	36%	35%	35%	36%	36%	36%	36%	37%	37%

Despite the fact that the West region increased its market share five percentage points for natural gas cooking, the overall market share for gas cooking has decreased from 37 percent in 1987 to 35 percent by 2005. The largest losses were in the South region, where gas fell by five percentage points. The Midwest followed the South in market share losses by dropping three percentage points.

Table 9

Market Share of Natural Gas Water Heating from 1987- 2005

	<u>2005</u>	<u>2003</u>	<u>2001</u>	<u>1999</u>	<u>1997</u>	<u>1995</u>	<u>1993</u>	<u>1991</u>	<u>1989</u>	<u>1987</u>
Northeast	50%	50%	49%	49%	49%	47%	47%	47%	46%	44%
Midwest	66%	66%	66%	65%	65%	66%	67%	67%	68%	67%
South	33%	33%	33%	33%	34%	35%	36%	36%	36%	38%
West	69%	69%	68%	67%	67%	67%	66%	67%	66%	66%
U.S. Total	52%	52%	51%	51%	51%	52%	52%	52%	52%	52%

The largest gain in market share for natural gas water heaters was in the Northeast, where gas grew by six percentage points. However, natural gas has the lowest market share of water heating in the South region, where gas fell by five percentage points. The Midwest has seen a slight decline in market share as well. Overall, the natural gas share for water heating has remained steady over the last 18 years.

Table 10

Market Share of Natural Gas Clothes Drying from 1987- 2005

	<u>2005</u>	<u>2003</u>	<u>2001</u>	<u>1999</u>	<u>1997</u>	<u>1995</u>	<u>1993</u>	<u>1991</u>	<u>1989</u>	<u>1987</u>
Northeast	29%	28%	28%	28%	28%	27%	27%	28%	27%	27%
Midwest	30%	31%	31%	31%	32%	32%	32%	32%	33%	33%
South	7%	8%	8%	9%	9%	9%	9%	9%	10%	10%
West	32%	32%	31%	31%	31%	29%	28%	28%	28%	27%
U.S. Total	21%	22%	22%	22%	23%	23%	22%	22%	22%	23%

Approximately 21 percent (23 million) of all residences use natural gas to dry their clothing. The market share for clothes dryers has declined slightly from 1987 to 2005. The largest gain in market share was in the West region, where natural gas grew by five percentage points.

Table 11

Market Share of Natural Gas - 2005

	All Homes	Homes with Natural Gas Service			
	<u>With Natural Gas Service</u>	<u>Gas Space Heating</u>	<u>Gas Water Heating</u>	<u>Gas Cooking</u>	<u>Gas Clothes Drying</u>
Northeast	65%	74%	78%	76%	31%
Midwest	76%	94%	86%	49%	33%
South	42%	81%	78%	51%	14%
West	75%	85%	92%	58%	33%
U.S. Total	61%	84%	84%	57%	28%