

Residential: Prices in this publication for the residential sector cover nearly all of the volumes of gas delivered.

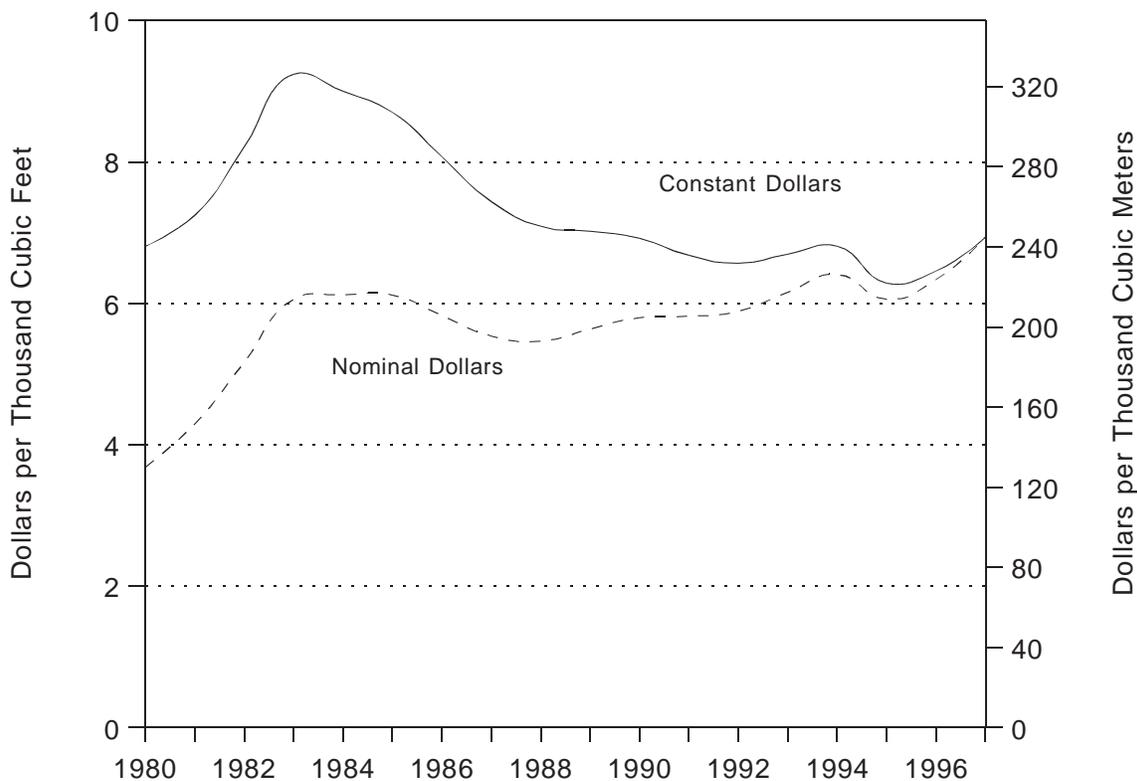
Commercial and Industrial: Prices for the commercial and industrial sectors are often associated with relatively small volumes of the total gas delivered. This occurs because they are reported by those that deliver gas and not by either the gas resellers or by the consumers. Beginning with the reporting of 1996 data, the EIA has changed the customer classification used for reporting deliveries to consumers in the agricultural industry from commercial to industrial. This change affects the calculation of prices because these volumes and revenues previously classified as commercial are now classified as industrial. Separate reports of the volumes and revenues affected are not available so the direct impact of this change is not known.

Facilities that generate electricity but are not regulated are known as nonutility power producers. A nonutility power producer may be a commercial facility, an industrial facility, or a facility that produces electricity for resale. Deliveries of natural gas to nonutility power producers are

reported on the Form EIA-176. The volumes and associated revenues for deliveries to nonutility producers who are primarily commercial establishments are included in the calculation of commercial prices. Those for deliveries to both nonutility producers who are primarily industrial establishments and nonutility establishments that produce electricity for resale are included in the calculation of industrial prices.

Electric Utilities: Prices for natural gas are also reported to the EIA on the Form FERC-423, "Monthly Report of Cost and Quality of Fuels for Electric Plants," a consumer survey form. Electric utility prices in this report are taken from this form. The respondents are all large regulated electric utilities that report consumption and prices of fuels and represent most of the volumes delivered to electric utilities. These prices are also published in the EIA report, *Cost and Quality of Fuels for Electric Utility Plants*. Prices to electric utilities, because they are derived from a survey of the utilities themselves, represent most of the volumes consumed by this sector.

Figure 14. Average Price of Natural Gas Delivered to Residential Consumers, 1980-1997



Sources: Nominal dollars: Energy Information Administration (EIA), Form EIA-176, "Annual Report of Natural and Supplemental Gas Supply and Disposition." Constant dollars: Prices were converted to 1995 dollars using the chain-type price indexes for Gross Domestic Product (1992 = 1.0) as published by the U. S. Department of Commerce, Bureau of Economic Analysis.