



## Representing America's Natural Gas Utilities

# Financial and Operational Information Series

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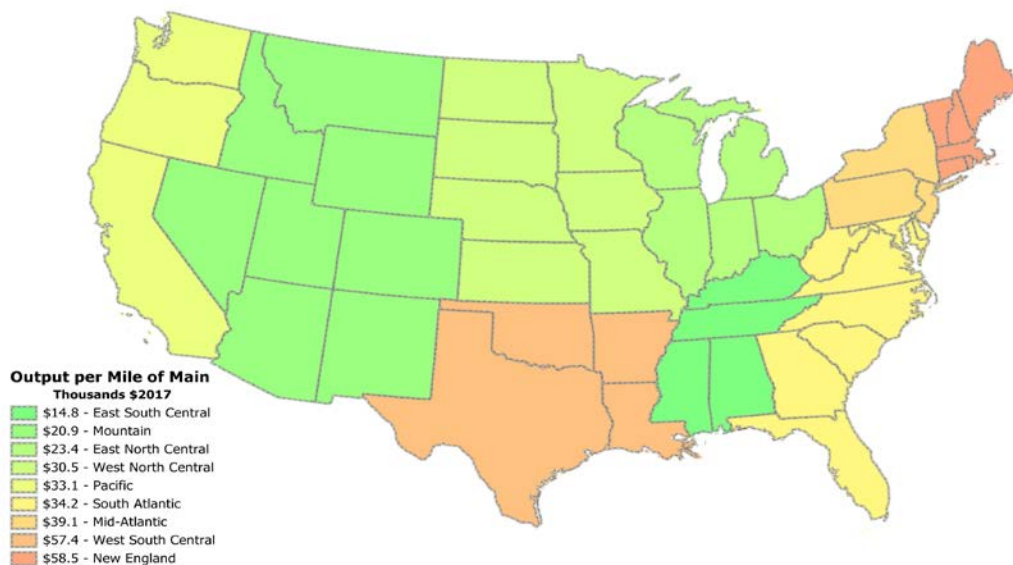
### Issue:

## Gas Utility Rate Base Expenditures per Mile of Main in 2017

### Findings

- A natural gas utility's rate base reflects the company's expenditures on infrastructure and operations in place to serve customers.
- Total rate base expenditures are based on all goods and services provided by gas utilities minus the expense on intermediate inputs such as the cost of natural gas at the city gate.
- The higher the rate base expense the more capital and labor intensive the system is per mile per year. Customer density per mile also plays a role in how high the overall costs for a given region. In other words, the more customers per mile the greater the direct economic activity required to serve them.
- Five of the nine census regions showed similar costs per mile of main within the range of \$20 and \$40 thousand dollars per mile.
- The New England region stood out with the highest cost per mile or \$59 thousand dollars, while the East South-Central region had the lowest per mile average cost of \$15 thousand dollars.

Census Region	Total Miles of Main 2017 (Thousands)	Residential Customers in 2017 (Millions)	5-Year Average Rate Base Cost 2017 (\$ Billions)	5-Year Average Rate Base Cost per Mile of Main (Thousands)
New England	37.0	2.5	\$ 3.15	\$ 58.5
Mid-Atlantic	132.4	10.0	\$ 5.62	\$ 39.1
South Atlantic	180.0	7.5	\$ 7.60	\$ 34.2
East South Central	107.3	3.2	\$ 1.63	\$ 14.8
West South Central	181.5	7.0	\$ 8.07	\$ 57.4
East North Central	260.7	14.0	\$ 6.31	\$ 23.4
West North Central	123.0	5.6	\$ 4.63	\$ 30.5
Mountain	124.7	6.2	\$ 3.64	\$ 20.9
Pacific	149.3	13.1	\$ 6.47	\$ 33.1



Source: Department of Transportation, Region Economic Modeling Inc (REMI).  
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