

Background on natural gas Vermont Gas, March 2016

- The United States has about 300,000 miles of natural gas transmission pipeline. Addison Natural Gas Project construction this summer will add approximately 30.
- Vermont has the lowest penetration of natural gas for home heating (around 16%) of all the states except Hawaii.
- Meanwhile Vermont is among the most heavily dependent on heating oil and propane, which are higher-emitting. Conversion to natural gas is among the most immediate opportunities for Vermonters to reduce their carbon emissions.
- In Vermont, heating oil is now slightly lower-priced than natural gas, but propane prices remain 50% higher. However, heating oil and propane distributors are not
 - Cost-regulated by the Public Service Board. Vermont Gas is.
 - Required by regulators to provide a special low-income discount. Vermont Gas is.
 - Required to offer energy efficiency services and programs. Vermont Gas is.
- Customers who purchase heating oil and propane maintain a tank of fuel that they have paid for, sometimes through seasons that do not require heating fuel. Vermont Gas customers pay after they use fuel, so they do not maintain an “inventory” of energy at their own expense.
- Although the costs of natural gas and heating oil are presently close, for most of the past 12 years the cost of oil has been markedly higher. Propane costs remain particularly high compared to natural gas. From the Vermont Department of Public Service March 2016 competitive position report:

