

The rates of investor-owned distribution utilities are generally regulated by State commissions and the rates of municipal distribution systems are generally fixed by the municipal authorities. Prices for gas paid by all distribution systems to interstate pipeline companies are regulated by the Federal Power Commission.

C. TREND OF CAPITAL OUTLAYS

The growth of the gas distribution pipeline network (see table 8) has been paralleled by increasing construction expenditures for distribution facilities (see table 12). Chart 1 shows the comparison of growth trends for the latter expenditures, natural gas production, number of gas customers, and average use per customer.

TABLE 12.—Construction expenditures for gas distribution facilities, 1946-64

[Dollar amounts in millions]

Year	Expenditures	Year	Expenditures
1946	\$105	1956	\$534
1947	178	1957	593
1948	219	1958	541
1949	240	1959	643
1950	299	1960	696
1951	331	1961	687
1952	349	1962	708
1953	383	1963	752
1954	423	1964	784
1955	500		

Source: *Gas Facts*.

As shown in table 13, the concentration of utility plant for all gas distribution and integrated companies (including natural, manufactured, mixed, and LP gas companies) in the investor-owned segment of the industry has declined only slightly during the past 10 years.

TABLE 13.—Gas utility plant—All distribution and integrated companies, 1954-64

[Dollar amounts in millions]

Year	Investor-owned utilities	Municipal utilities	Total	Municipals as percent of total
1954	\$7,670	\$400	\$8,070	5.0
1955	8,115	445	8,560	5.2
1956	8,780	440	9,220	5.8
1957	9,490	530	10,020	5.3
1958	10,200	605	10,805	5.7
1959	11,195	540	11,735	4.6
1960	11,875	690	12,565	5.4
1961	12,980	740	13,720	5.4
1962	13,690	795	14,485	5.4
1963	14,615	890	15,505	5.7
1964	15,305	940	16,245	5.8

Source: Derived from *Gas Facts*. Includes manufactured gas plant.

Based on the trends in plant expansion, it appears that municipals probably account for about 5½ percent of the construction expenditures for gas distribution facilities in recent years.