

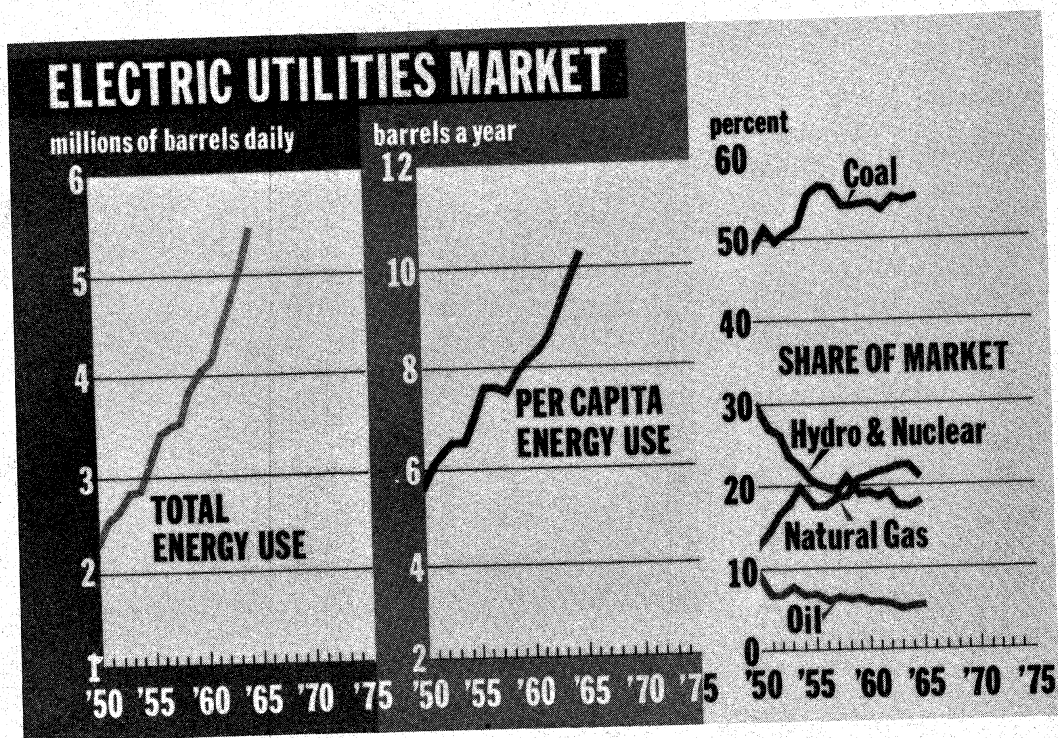


CHART 14

reflects a shift in the energy consumption patterns of industry and commerce.

We can go into the past and find many industrial activities that consumed energy directly, burning it under a boiler to raise steam and then using the steam for generating electricity or the production of power or for processing, but, in more recent times, many of these industrial activities have ceased this practice and have turned, instead, to electricity purchased from the electric utility. So, it is this shift that has brought about the very strong growth in this market. This is the one major market in which coal has the leading position, currently about 55 percent of the overall market. Hydro and nuclear, primarily hydro, had almost one-third of the market in 1950, but the proportion has dropped below 20 percent now, even though the installed capacity has almost doubled in this period of years.

The fastest growing source of energy for this market is natural gas, indicated by the trend line. Oil has never been very important in this market. As you can see it has steadily declined throughout this period of years.

The residential market, the smallest, is also the slowest growing of all of the markets. In this 15-year period, it increased by approximately 25 percent. There was very little growth in the per capita consumption. The growth that occurred has reflected, primarily, changes in weather conditions; the winters on the average were so much colder in the second half of this period than in the first half. [Chart 15.]

As recently as 1950, coal was still the leading source for this market, having almost one-half.

You see what happened to coal in the interim, being displaced for a time by both oil and natural gas; but, more recently, as gas became available, the oil moved into a state of decline while gas moved ahead.