

Mastio Survey: Pipe Customers Most Satisfied with Great Lakes, Iroquois Gas and Northwest

Great Lakes Gas Transmission, Iroquois Gas Transmission System and Williams' Northwest Pipeline were rated the highest in overall customer satisfaction among 43 natural gas pipelines in the latest survey conducted by Mastio & Co. Bringing up the rear were Northern Natural Gas, Equitrans and TransColorado Gas Transmission. Major pipelines El Paso Natural Gas, Kinder Morgan Interstate Gas and Transcontinental didn't fare much better.

The Mastio survey results were based on interviews with industrial, local distribution companies, independent power producers, producers and marketers. Each respondent was asked to rate pipelines on 30 customer satisfaction attributes (integrity, accuracy of invoices, easy to contact the right person for help, expertise of personnel, ease of doing business, plus overall company performance of all non-price factors).

In addition, the St. Joseph, MO-based opinion research firm asked pipeline customers several open-ended questions, such as "what percentage weight you would assign to price vs. non-price factors when selecting a transportation provider." The split for the entire respondent base was that 70.4% of the decision was based on price and 29.6% on benefits.

There were no major changes in the 2004 pipeline survey from a year ago, said Mastio spokesman Kevin Huntsman. "Things seem to be leveling off" in this sector of the industry.

In the category of 16 long-haul pipes with deliveries of at least 1 Tcf, the top-ranked pipelines by customers were Northwest Pipeline, El Paso Corp.'s Southern Natural Gas and Texas Gas Transmission. Another El Paso pipeline subsidiary, El Paso Natural Gas, and Northern Natural Gas got the lowest ratings, according to the survey results.

Northwest took the top spot again in the category of 34 long-haul pipelines that serve three or more states. It was followed by Southern Star Central and Southern Natural Gas. And again El Paso Natural Gas and Northern Natural were on the bottom rung, the Mastio survey noted.

As for the group of 35 shorter haul regional pipelines serving less than three states, the highest customer satisfaction marks went to TransGas Ltd., Great Lakes Gas Transmission and Iroquois Gas Transmission. TXU Pipeline and GulfTerra Texas Pipeline received the lowest grades.

Acadian Gas Pipeline System. Oneok Gas Transportation Co. and Enogex Inc. topped the

segment of seven intrastate gas pipelines, with TXU Pipeline and GulfTerra Texas again bringing up the rear, the survey showed.

The top three Canadian pipelines were Transgas Ltd., TransCanada Pipelines-Alberta System and Alliance Pipeline Ltd., customers said. The worst of the lot in terms of customer satisfaction were BC Pipeline and ATCO Pipelines, they reported.

For the first time, Mastio said it included a "Customer Value Index" in its survey, which allowed pipeline customers to rank pipelines based on the value they believed they were getting for their money.

In the Northeast, customers gave Tennessee Gas Pipeline, Dominion Transmission and Texas Eastern Transmission an above-average score for value, but they ranked Columbia Gas Transmission and Transcontinental below average.

As for the Midwest, the high marks on the "Customer Value Index" went to Southern Star, Panhandle Eastern Pipe Line and Natural Gas Pipeline Co. of America, and low grades were assigned to ANR Pipeline and Northern Natural Gas.

In the Northwest region, Northwest Pipeline, Gas Transmission Northwest and Transwestern Pipeline grabbed the top value-related spots, while Kern River Gas Transmission and El Paso Natural Gas were ranked as below par, according to the survey.

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