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Economics and Statistics Administration

Kathleen B. Cooper, Under Secretary for Economic Affairs

U.S. CENSUS BUREAU
Charles Louis Kincannon, Director

Hermann Habermann, Deputy Director and Chief Operating Officer

Vacant, Principal Associate Director for Programs

Frederick T. Knickerbocker, Associate Director for Economic Programs

Thomas L. Mesenbourg, Assistant Director for Economic Programs

Mark E. Wallace, Chief, Service Sector Statistics Division
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-- Not applicable for this report.
Introduction to the Economic Census

PURPOSES AND USES OF THE ECONOMIC CENSUS

The economic census is the major source of facts about the structure and functioning of the nation's economy. It provides essential information for government, business, industry, and the general public. Title 13 of the United States Code (Sections 131, 191, and 224) directs the Census Bureau to take the economic census every 5 years, covering years ending in "2" and "7."

The economic census furnishes an important part of the framework for such composite measures as the gross domestic product estimates, input/output measures, production and price indexes, and other statistical series that measure short-term changes in economic conditions. Specific uses of economic census data include the following:

- Policymaking agencies of the federal government use the data to monitor economic activity and to assess the effectiveness of policies.
- State and local governments use the data to assess business activities and tax bases within their jurisdictions and to develop programs to attract business.
- Trade associations study trends in their own and competing industries, which allows them to keep their members informed of market changes.
- Individual businesses use the data to locate potential markets and to analyze their own production and sales performance relative to industry or area averages.

INDUSTRY CLASSIFICATIONS

Data from the 2002 Economic Census are published primarily according to the 2002 North American Industry Classification System (NAICS). NAICS was first adopted in the United States, Canada, and Mexico in 1997. The 2002 Economic Census covers the following NAICS sectors:

- 21 Mining
- 22 Utilities
- 23 Construction
- 31-33 Manufacturing
- 42 Wholesale Trade
- 44-45 Retail Trade
- 48-49 Transportation and Warehousing
- 51 Information
- 52 Finance and Insurance
- 53 Real Estate and Rental and Leasing
- 54 Professional, Scientific, and Technical Services
- 55 Management of Companies and Enterprises
- 56 Administrative and Support and Waste Management and Remediation Services
- 61 Educational Services
- 62 Health Care and Social Assistance
- 71 Arts, Entertainment, and Recreation
- 72 Accommodation and Food Services
- 81 Other Services (except Public Administration)

(Not listed above are the Agriculture, Forestry, Fishing, and Hunting sector (NAICS 11), partially covered by the census of agriculture conducted by the U.S. Department of Agriculture, and the Public Administration sector (NAICS 92), largely covered by the census of governments conducted by the Census Bureau.)

The 20 NAICS sectors are subdivided into 100 subsectors (three-digit codes), 317 industry groups (four-digit codes), and, as implemented in the United States, 1,179 industries (six-digit codes).
RELATIONSHIP TO HISTORICAL INDUSTRY CLASSIFICATIONS

Prior to the 1997 Economic Census, data were published according to the Standard Industrial Classification (SIC) system. While many of the individual NAICS industries correspond directly to industries as defined under the SIC system, most of the higher level groupings do not. Particular care should be taken in comparing data for retail trade, wholesale trade, and manufacturing, which are sector titles used in both NAICS and SIC, but cover somewhat different groups of industries. The 1997 Economic Census Bridge Between NAICS and SIC demonstrates the relationships between NAICS and SIC industries. Where changes are significant, it may not be possible to construct time series that include data for points both before and after 1997.

Most industry classifications remained unchanged between 1997 and 2002, but NAICS 2002 includes substantial revisions within the construction and wholesale trade sectors, and a number of revisions for the retail trade and information sectors. These changes are noted in industry definitions and will be demonstrated in the Bridge Between NAICS 2002 and NAICS 1997.

For 2002, data for enterprise support establishments (those functioning primarily to support the activities of their company's operating establishments, such as a warehouse or a research and development laboratory) are included in the industry that reflects their activities (such as warehousing). For 1997, such establishments were termed auxiliaries and were excluded from industry totals.

BASIS OF REPORTING

The economic census is conducted on an establishment basis. A company operating at more than one location is required to file a separate report for each store, factory, shop, or other location. Each establishment is assigned a separate industry classification based on its primary activity and not that of its parent company. (For selected industries, only payroll, employment, and classification are collected for individual establishments, while other data are collected on a consolidated basis.)

GEOGRAPHIC AREA CODING

Accurate and complete information on the physical location of each establishment is required to tabulate the census data for states, metropolitan and micropolitan statistical areas, counties, and corporate municipalities (places) including cities, towns, townships, villages, and boroughs. Respondents were required to report their physical location (street address, municipality, county, and state) if it differed from their mailing address. For establishments not surveyed by mail (and those single-establishment companies that did not provide acceptable information on physical location), location information from administrative sources is used as a basis for coding.

AVAILABILITY OF ADDITIONAL DATA

All results of the 2002 Economic Census are available on the Census Bureau Internet site (www.census.gov) and on digital versatile discs (DVD-ROMs) for sale by the Census Bureau. The American FactFinder system at the Internet site allows selective retrieval and downloading of the data. For more information, including a description of reports being issued, see the Internet site, write to the U.S. Census Bureau, Washington, DC 20233-6100, or call Customer Services at 301-763-4100.

HISTORICAL INFORMATION

The economic census has been taken as an integrated program at 5-year intervals since 1967 and before that for 1954, 1958, and 1963. Prior to that time, individual components of the economic census were taken separately at varying intervals.

The economic census traces its beginnings to the 1810 Decennial Census, when questions on manufacturing were included with those for population. Coverage of economic activities was expanded for the 1840 Decennial Census and subsequent censuses to include mining and some commercial activities. The 1905 Manufactures Census was the first time a census was taken apart
from the regular decennial population census. Censuses covering retail and wholesale trade and construction industries were added in 1930, as were some service trades in 1933. Censuses of construction, manufacturing, and the other business censuses were suspended during World War II.

The 1954 Economic Census was the first census to be fully integrated, providing comparable census data across economic sectors and using consistent time periods, concepts, definitions, classifications, and reporting units. It was the first census to be taken by mail, using lists of firms provided by the administrative records of other federal agencies. Since 1963, administrative records also have been used to provide basic statistics for very small firms, reducing or eliminating the need to send them census report forms.

The range of industries covered in the economic census expanded between 1967 and 2002. The census of construction industries began on a regular basis in 1967, and the scope of service industries, introduced in 1933, was broadened in 1967, 1977, and 1987. While a few transportation industries were covered as early as 1963, it was not until 1992 that the census broadened to include all of transportation, communications, and utilities. Also new for 1992 was coverage of financial, insurance, and real estate industries. With these additions, the economic census and the separate census of governments and census of agriculture collectively covered roughly 98 percent of all economic activity. New for 2002 is coverage of four industries classified in the agriculture, forestry, and fishing sector under the SIC system: landscape architectural services, landscaping services, veterinary services, and pet care services.

Printed statistical reports from the 1992 and earlier censuses provide historical figures for the study of long-term time series and are available in some large libraries. Reports for 1997 were published primarily on the Internet and copies of 1992 reports are also available there. CD-ROMs issued from the 1987, 1992, and 1997 Economic Censuses contain databases that include all or nearly all data published in print, plus additional statistics, such as ZIP Code statistics, published only on CD-ROM.

**sources for more information**

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Utilities

SCOPE
The Utilities sector (sector 22) comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal. Within this sector, the specific activities associated with the utility services provided vary by utility: electric power includes generation, transmission, and distribution; natural gas includes distribution; steam supply includes provision and/or distribution; water supply includes treatment and distribution; and sewage removal includes collection, treatment, and disposal of waste through sewer systems and sewage treatment facilities.

Among electric, gas, and water utilities, many locations with activities that might in other industries be considered as support or auxiliary activities (such as headquarters operations), are included in this report as operating locations.

Exclusions. Establishments primarily engaged in waste management services are not included in this sector. These establishments are classified in Subsector 562, Waste Management and Remediation Services. These establishments also collect, treat, and dispose of waste materials; however, they do not use sewer systems or sewage treatment facilities.

The reports described below exclude establishments of firms with no paid employees. These “nonemployers,” typically self-employed individuals or partnerships operating businesses that they have not chosen to incorporate, are reported separately in Nonemployer Statistics. The contribution of nonemployers, relatively small for this sector, may be examined at www.census.gov/nonemployerimpact.

Definitions. Industry categories are defined in Appendix B, NAICS Codes, Titles, and Descriptions. Other terms are defined in Appendix A, Explanation of Terms.

REPORTS
The following reports provide statistics on this sector.

Industry Series. There are three reports, each covering a group of related industries. The reports present, by kind of business for the United States, general statistics for establishments of firms with payroll on number of establishments, revenue, payroll, and employment; comparative statistics for 2002 and 1997; product lines; and concentration of business activity in the largest firms. The data in industry reports are preliminary and subject to change in the following reports.

Geographic Area Series. There is a separate report for each state, the District of Columbia, and the United States. Each state report presents, for establishments of firms with payroll, general statistics on number of establishments, revenue, payroll, and employment by kind of business for the state and metropolitan and micropolitan statistical areas. Greater kind-of-business detail is shown for larger areas. The United States report presents data for the United States as a whole for detailed kind-of-business classifications.

Subject Series:
- Product Lines. This report presents product lines data for establishments of firms with payroll by kind of business. Data are presented for the United States only.
- Establishment and Firm Size (Including Legal Form of Organization). This report presents revenue, payroll, and employment data for the United States by revenue size, by employment size, and by legal form of organization for establishments of firms with payroll; and by revenue size (including concentration by largest firms), by employment size, and by number of establishments operated (single units and multiunits) for firms with payroll.
• **Miscellaneous Subjects.** This report presents data for a variety of industry-specific topics for establishments of firms with payroll. Presentation of data varies by kind of business.

**Other reports.** Data for this sector are also included in reports with multisector coverage, including *Nonemployer Statistics, Comparative Statistics, Bridge Between 2002 NAICS and 1997 NAICS, Business Expenses,* and the Survey of Business Owners reports.

**GEOGRAPHIC AREAS COVERED**

The level of geographic detail varies by report. Maps are available at www.census.gov/econ2002maps. Notes specific to areas in the state are included in Appendix D, Geographic Notes. Data may be presented for –

1. The United States as a whole.
2. States and the District of Columbia.
3. Metropolitan and micropolitan statistical areas. A core based statistical area (CBSA) contains a core area with a substantial population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. CBSAs are differentiated into metropolitan and micropolitan statistical areas based on size criteria. Both metropolitan and micropolitan statistical areas are defined in terms of entire counties, and are listed in Appendix E, Metropolitan and Micropolitan Statistical Areas.
   a. Metropolitan Statistical Areas (metro areas). Metro areas have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.
   b. Micropolitan Statistical Areas (micro areas). Micro areas have at least one urban cluster of at least 10,000 but less than 50,000 population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.
   c. Metropolitan Divisions (metro divisions). If specified criteria are met, a metro area containing a single core with a population of 2.5 million or more may be subdivided to form smaller groupings of counties referred to as Metropolitan Divisions.
   d. Combined Statistical Areas (combined areas). If specified criteria are met, adjacent metro and micro areas, in various combinations, may become the components of a new set of areas called Combined Statistical Areas. The areas that combine retain their own designations as metro or micro areas within the larger combined area.

**DOLLAR VALUES**

All dollar values presented are expressed in current dollars; i.e., 2002 data are expressed in 2002 dollars, and 1997 data, in 1997 dollars. Consequently, when making comparisons with prior years, users of the data should consider the changes in prices that have occurred.

All dollar values are shown in thousands of dollars.

**COMPARABILITY OF THE 1997 AND 2002 ECONOMIC CENSUSES**

Both the 2002 Economic Census and the 1997 Economic Census present data based on the North American Industry Classification System (NAICS). While there were revisions to some industries for 2002, none of those affect this sector.

Among electric, gas, and water utilities, many locations with activities that might in other industries be considered as support or auxiliary activities (such as headquarters operations), are included in this report as operating locations.

**RELIABILITY OF DATA**

All data compiled for this sector are subject to nonsampling errors. Nonsampling errors can be attributed to many sources: inability to identify all cases in the actual universe; definition and classification difficulties; differences in the interpretation of questions; errors in recording or coding the data obtained; and other errors of collection, response, coverage, processing, and estimation for missing or misreported data. Data presented in the Miscellaneous Subjects and Product Lines reports for this sector are subject to sampling errors, as well as nonsampling errors.
The accuracy of these tabulated data is determined by the joint effects of the various nonsampling errors or by the joint effects of sampling and nonsampling errors. No direct measurement of these effects has been obtained except for estimation for missing or misreported data, as by the percentages shown in the tables. Precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize the effects of nonsampling errors. More information on the reliability of the data is included in Appendix C, Methodology.

DISCLOSURE

In accordance with federal law governing census reports (Title 13 of the United States Code), no data are published that would disclose the operations of an individual establishment or business. However, the number of establishments in a kind-of-business classification is not considered a disclosure; therefore, this information may be released even though other information is withheld. Techniques employed to limit disclosure are discussed at www.census.gov/epcd/ec02/disclosure.htm.

AVAILABILITY OF MORE FREQUENT ECONOMIC DATA

The County Business Patterns program offers annual statistics on the number of establishments, employment, and payroll classified by industry within each county, and Statistics of U.S. Businesses provides annual statistics classified by the employment size of the enterprise, further classified by industry for the United States, and by broader categories for states and metropolitan areas.

CONTACTS FOR DATA USERS

Questions about these data may be directed to the U.S. Census Bureau, Service Sector Statistics Division, Utilities and Financial Census Branch, 1-800-541-8345 or ucb@census.gov.

ABBREVIATIONS AND SYMBOLS

The following abbreviations and symbols are used with these data:

- **D**: Withheld to avoid disclosing data of individual companies; data are included in higher level totals
- **N**: Not available or not comparable
- **Q**: Revenue not collected at this level of detail for multiestablishment firms
- **S**: Withheld because estimates did not meet publication standards
- **X**: Not applicable
- **Z**: Less than half the unit shown

- **a**: 0 to 19 employees
- **b**: 20 to 99 employees
- **c**: 100 to 249 employees
- **e**: 250 to 499 employees
- **f**: 500 to 999 employees
- **g**: 1,000 to 2,499 employees
- **h**: 2,500 to 4,999 employees
- **i**: 5,000 to 9,999 employees
- **j**: 10,000 to 24,999 employees
- **k**: 25,000 to 49,999 employees
- **l**: 50,000 to 99,999 employees
- **m**: 100,000 employees or more

- **r**: Revised

- **–**: Represents zero (page image/print only)

- **(CC)**: Consolidated city

- **(IC)**: Independent city
Table 1. **Summary Statistics for the United States: 2002**

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table]

<table>
<thead>
<tr>
<th>2002 NAICS code</th>
<th>Kind of business</th>
<th>Establishments (number)</th>
<th>Revenue ($1,000)</th>
<th>Annual payroll ($1,000)</th>
<th>First-quarter payroll ($1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>221210</td>
<td>Natural gas distribution</td>
<td>2,431</td>
<td>71,827</td>
<td>5,973</td>
<td>1,875</td>
</tr>
<tr>
<td>221210</td>
<td>Natural gas distribution</td>
<td>2,431</td>
<td>71,827</td>
<td>5,973</td>
<td>1,875</td>
</tr>
</tbody>
</table>

1Includes revenue information obtained from administrative records of other federal agencies.
2Includes revenue information that was imputed based on historic data, administrative data, industry averages, or other statistical methods.

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.
Table 2. **Comparative Statistics for the United States (1997 NAICS Basis): 2002 and 1997**

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 and 1997 Economic Censuses. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table.]

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2212</td>
<td>Natural gas distribution</td>
<td>2 431</td>
<td>2 747</td>
<td>71 827 233</td>
<td>136 995 356</td>
<td>5 973 044</td>
<td>5 109 542</td>
<td>93 068</td>
<td>102 878</td>
</tr>
<tr>
<td>22121</td>
<td>Natural gas distribution</td>
<td>2 431</td>
<td>2 747</td>
<td>71 827 233</td>
<td>136 995 356</td>
<td>5 973 044</td>
<td>5 109 542</td>
<td>93 068</td>
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<td>Natural gas distribution</td>
<td>2 431</td>
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<td>136 995 356</td>
<td>5 973 044</td>
<td>5 109 542</td>
<td>93 068</td>
<td>102 878</td>
</tr>
</tbody>
</table>

Note: The data in this table are based on the 2002 and 1997 Economic Censuses. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.
<table>
<thead>
<tr>
<th>2002 NAICS code</th>
<th>2002 Product line code</th>
<th>Kind of business and product line</th>
<th>Establishments with the product line</th>
<th>Product line revenue</th>
<th>As percent of total revenue of—</th>
<th>Response coverage(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2212</td>
<td>43500</td>
<td>Natural gas distribution.</td>
<td>2 431</td>
<td>X</td>
<td>71 827 233 X 100.0 81.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sales of products extracted from natural gas, including propane and butane</td>
<td>Q 25 588 Q 25 588</td>
<td>Q 9 240 Q 9 240</td>
<td>Q 5 686 Q 5 686</td>
<td>X 25 588 Q 9 240</td>
</tr>
<tr>
<td>22121</td>
<td>43500</td>
<td>Natural gas distribution.</td>
<td>2 431</td>
<td>X</td>
<td>71 827 233 X 100.0 81.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>43600</td>
<td>Household appliance sales.</td>
<td>Q 25 588 Q 25 588 Q 9 240 Q 9 240</td>
<td>Q 5 686 Q 5 686</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>43750</td>
<td>Sales of other merchandise.</td>
<td>Q 25 588 Q 25 588 Q 9 240 Q 9 240</td>
<td>Q 5 686 Q 5 686</td>
<td></td>
<td></td>
</tr>
<tr>
<td>221210</td>
<td>43500</td>
<td>Natural gas distribution.</td>
<td>2 431</td>
<td>X</td>
<td>71 827 233 X 100.0 81.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>43600</td>
<td>Household appliance sales.</td>
<td>Q 25 588 Q 25 588 Q 9 240 Q 9 240</td>
<td>Q 5 686 Q 5 686</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>43750</td>
<td>Sales of other merchandise.</td>
<td>Q 25 588 Q 25 588 Q 9 240 Q 9 240</td>
<td>Q 5 686 Q 5 686</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1Product line revenue and/or product line percent may not sum to totals due to exclusion of selected lines to avoid disclosing data for individual companies, due to rounding, and/or due to exclusion of lines that did not meet publication criteria.

2Revenue of establishments reporting product line revenue as percent of total revenue.

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.
## Table 4. Concentration by Largest Firms for the United States: 2002

These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only firms and establishments of firms with payroll. Excludes data for establishments of these firms that are classified in other categories than those specified in this table. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. For method of assignment to categories shown, see Appendix C. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table.

<table>
<thead>
<tr>
<th>2002 NAICS code</th>
<th>Kind of business and largest firms based on revenue</th>
<th>Establishments (number)</th>
<th>Revenue</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Amount ($1,000)</td>
<td>As percent of total</td>
<td>Annual payroll ($1,000)</td>
</tr>
<tr>
<td>2212 Natural gas distribution</td>
<td>All firms</td>
<td>2 431</td>
<td>71 827 233</td>
<td>100.0</td>
<td>5 973 044</td>
</tr>
<tr>
<td></td>
<td>4 largest firms</td>
<td>300</td>
<td>13 250 235</td>
<td>18.6</td>
<td>1 116 271</td>
</tr>
<tr>
<td></td>
<td>8 largest firms</td>
<td>584</td>
<td>21 290 553</td>
<td>30.0</td>
<td>1 765 055</td>
</tr>
<tr>
<td></td>
<td>20 largest firms</td>
<td>887</td>
<td>37 702 915</td>
<td>53.0</td>
<td>2 856 507</td>
</tr>
<tr>
<td></td>
<td>50 largest firms</td>
<td>1 446</td>
<td>57 616 955</td>
<td>81.1</td>
<td>4 719 178</td>
</tr>
<tr>
<td>2212 Natural gas distribution</td>
<td>All firms</td>
<td>2 431</td>
<td>71 827 233</td>
<td>100.0</td>
<td>5 973 044</td>
</tr>
<tr>
<td></td>
<td>4 largest firms</td>
<td>300</td>
<td>13 250 235</td>
<td>18.6</td>
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<td>8 largest firms</td>
<td>584</td>
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<td>20 largest firms</td>
<td>887</td>
<td>37 702 915</td>
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<td>50 largest firms</td>
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<td>57 616 955</td>
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<tr>
<td>22120 Natural gas distribution</td>
<td>All firms</td>
<td>2 431</td>
<td>71 827 233</td>
<td>100.0</td>
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<td>1 446</td>
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<td>81.1</td>
<td>4 719 178</td>
</tr>
</tbody>
</table>

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.
Appendix A. Explanation of Terms

ANNUAL PAYROLL
Payroll includes all forms of compensation such as salaries, wages, commissions, dismissal pay, bonuses, vacation allowances, sick-leave pay, and employee contributions to qualified pension plans paid during the year to all employees and reported on Internal Revenue Service (IRS) Form 941 as taxable Medicare Wages and tips (even if not subject to income or FICA tax). For corporations, payroll includes amounts paid to officers and executives; for unincorporated businesses, it does not include profit or other compensation of proprietors or partners. Payroll is reported before deductions for social security, income tax, insurance, union dues, etc. This definition of payroll is the same as that used by the IRS on Form 941.

ESTABLISHMENTS
An establishment is a single physical location at which business is conducted. It is not necessarily identical to a company or enterprise, which may consist of one establishment or more. Economic census figures represent a summary of reports for individual establishments rather than companies. For cases where a census report was received, separate information was obtained for each location where business was conducted. When administrative records of other federal agencies were used instead of a census report, no information was available on the number of locations operated. Each economic census establishment was tabulated according to the physical location at which the business was conducted. The count of establishments represents those in business at any time during 2002.

When two or more activities were carried on at a single location under a single ownership, all activities generally were grouped together as a single establishment. The entire establishment was classified on the basis of its major activity and all data for it were included in that classification. However, when distinct and separate economic activities (for which different industry classification codes were appropriate) were conducted at a single location under a single ownership, separate establishment reports for each of the different activities were obtained in the census.

FIRMS
A firm is a business organization or entity consisting of one domestic establishment (location) or more under common ownership or control. All establishments of subsidiary firms are included as part of the owning or controlling firm. For the economic census, the terms “firm” and “company” are synonymous.

FIRST-QUARTER PAYROLL
Represents payroll paid to persons employed at any time during the quarter January to March 2002.

PAID EMPLOYEES FOR PAY PERIOD INCLUDING MARCH 12
Paid employees consist of full- and part-time employees, including salaried officers and executives of corporations, who were on the payroll during the pay period including March 12. Included are employees on paid sick leave, paid holidays, and paid vacations; not included are proprietors and partners of unincorporated businesses; full- and part-time leased employees whose payroll was filed under an employee leasing company’s Employer Identification Number (EIN); and temporary staffing obtained from a staffing service. The definition of paid employees is the same as that used by the Internal Revenue Service (IRS) on Form 941.
REVENUE
Includes revenue from all business activities whether or not payment was received in the census year. Revenue does not include sales and other taxes (including Hawaii's General Excise Tax) collected from customers and paid directly by the firm to a local, state, or federal tax agency.
Appendix B.
NAICS Codes, Titles, and Descriptions

PART 1. 2002 NAICS

2212 NATURAL GAS DISTRIBUTION
This industry group comprises: (1) establishments primarily engaged in operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers.

22121 NATURAL GAS DISTRIBUTION
This industry comprises: (1) establishments primarily engaged in operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers.

221210 NATURAL GAS DISTRIBUTION
This industry comprises: (1) establishments primarily engaged in operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers.

PART 2. 1997 NAICS

2212 NATURAL GAS DISTRIBUTION
This industry group comprises: (1) establishments primarily engaged in operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers.

22121 NATURAL GAS DISTRIBUTION
This industry comprises: (1) establishments primarily engaged in operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers.

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This industry comprises: (1) establishments primarily engaged in operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers.

Utilities
U.S. Census Bureau, 2002 Economic Census
Appendix C.
Methodology

SOURCES OF THE DATA
For this sector, large- and medium-size firms, plus all firms known to operate more than one establishment, were sent report forms to be completed for each of their establishments and returned to the Census Bureau. For most very small firms, data from existing administrative records of other federal agencies were used instead. These records provide basic information on location, kind of business, revenue, payroll, number of employees, and legal form of organization.

Firms in the 2002 Economic Census are divided into those sent report forms and those not sent report forms. The coverage of and the method of obtaining census information from each are described below:

1. Establishments sent a report form:
   a. Large employers, i.e., all multiestablishment firms, and all employer firms with payroll above a specified cutoff. (The term “employers” refers to firms with one or more paid employees at any time during 2002 as shown in the active administrative records of other federal agencies.)
   b. A sample of small employers, i.e., single-establishment firms with payroll below a specified cutoff in classifications for which specialized data precludes reliance solely on administrative records sources. The sample was stratified by industry and geography.

2. Establishments not sent a report form:
   a. Small employers, i.e., single-establishment firms with payroll below a specified cutoff, not selected into the small employer sample. Although the payroll cutoff varies by kind of business, small employers not sent a report form generally include firms with less than 10 employees and represent about 10 percent of total revenue of establishments covered in the census. Data on revenue, payroll, and employment for these small employers were derived or estimated from administrative records of other federal agencies.
   b. All nonemployers, i.e., all firms subject to federal income tax with no paid employees during 2002. Revenue information for these firms was obtained from administrative records of other federal agencies. Although consisting of many firms, nonemployers account for less than 10 percent of total revenue of all establishments covered in the census. Data for nonemployers are not included in this report, but are released in the annual Nonemployer Statistics series.

The report forms used to collect information for establishments in this sector are available at help.econ.census.gov/econhelp/resources/.

A more detailed examination of census methodology is presented in the History of the Economic Census at www.census.gov/econ/www/history.html.

INDUSTRY CLASSIFICATION OF ESTABLISHMENTS
The classifications for all establishments are based on the North American Industry Classification System, United States, 2002 manual. There were no changes between the 2002 edition and the 1997 edition affecting this sector. Tables at www.census.gov/epcd/naics02/ identify all industries that changed between the 1997 North American Industry Classification System (NAICS) and 2002 NAICS.

Utilities
The method of assigning classifications and the level of detail at which establishments were classified depends on whether a report form was obtained for the establishment.

1. Establishments that returned a report form were classified on the basis of their self-designation, product line revenue, and responses to other industry-specific inquiries.

2. Establishments without a report form:
   a. Small employers not sent a form were, where possible, classified on the basis of the most current kind-of-business classification available from one of the Census Bureau's current sample surveys or the 1997 Economic Census. Otherwise, the classification was obtained from administrative records of other federal agencies. If the census or administrative record classifications proved inadequate (none corresponded to a 2002 Economic Census classification in the detail required for employers), the firm was sent a brief inquiry requesting information necessary to assign a kind-of-business code.
   b. Nonemployers were classified on the basis of information obtained from administrative records of other federal agencies.

RELIABILITY OF DATA

All data compiled in the economic census are subject to nonsampling errors. Nonsampling errors can be attributed to many sources during the development or execution of the census:

- inability to identify all cases in the actual universe;
- definition and classification difficulties;
- differences in the interpretation of questions;
- errors in recording or coding the data obtained; and
- other errors of collection, response, coverage, processing, and estimation for missing or misreported data.

Data presented in the Miscellaneous Subjects and the Product Lines reports for this sector are subject to sampling errors, as well as nonsampling errors. Specifically, these data are estimated based on information obtained from census report forms mailed to all large employers and to a sample of small employers in the universe. Sampling errors affect these estimates, insofar, as they may differ from results that would be obtained from a complete enumeration.

The accuracy of these tabulated data is determined by the joint effects of the various nonsampling errors or by the joint effects of sampling and nonsampling errors. No direct measurement of these effects has been obtained except for estimation for missing or misreported data; however, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize the effects of nonsampling errors.

The Census Bureau obtains limited information extracted from administrative records of other federal agencies, such as gross revenue from federal income tax records and employment and payroll from payroll tax records. This information is used in conjunction with other information available to the Census Bureau to develop estimates for nonemployers, small employers, and other establishments for which responses were not received in time for publication.

Key tables in this report include a column for “Percent of revenue from administrative records.” This includes revenue information obtained from administrative records of other federal agencies. The “Percent of revenue estimated” includes revenue information that was imputed based on historic company ratios or administrative records, or on industry averages.

The Census Bureau recommends that data users incorporate this information into their analyses, as nonsampling error and sampling error could impact the conclusions drawn from economic census data.
TREATMENT OF NONRESPONSE

Census report forms included two different types of inquiries, “basic” and “industry-specific.” Data for the basic inquiries, which include location, kind of business or operation, revenue, payroll, and number of employees, were available from a combination of sources for all establishments. Data for industry-specific inquiries, tailored to the particular kinds of business or operation covered by the report form, were available only from establishments responding to those inquiries.

Data for industry-specific inquiries in this sector were expanded in most cases to account for establishments that did not respond to the particular inquiry for which data are presented. Unless otherwise noted in specific reports, data for industry-specific inquiries were expanded in direct relationship to total revenue of all establishments included in the category. In a few cases, expansion on the basis of the revenue item was not appropriate, and another basic data item was used as the basis for expansion of reported data to account for nonrespondents.

All reports in which industry-specific data were expanded include a coverage indicator for each publication category, which shows the revenue of establishments responding to the industry-specific inquiry as a percent of total revenue for all establishments for which data are shown. For some inquiries, coverage is determined by the ratio of total payroll or employment of establishments responding to the inquiry to total payroll or employment of all establishments in the category.

CONCENTRATION CATEGORIES

Concentration categories are based on aggregate revenue of all establishments operated by the same firm in a given kind-of-business classification or group for which data are presented. For example, a firm operating two utilities establishments – an electric power distribution service (NAICS 221122) and a natural gas distribution service (NAICS 221210) – would be treated as two one-establishment firms at the most detailed NAICS level, as a two-establishment firm in NAICS 221, and as a single two-establishment firm in Utilities totals (NAICS 22).

DISCLOSURE

In accordance with federal law governing census reports (Title 13 of the United States Code), no data are published that would disclose the operations of an individual establishment or business. However, the number of establishments in a kind-of-business classification is not considered a disclosure; therefore, this information may be released even though other information is withheld. Techniques employed to limit disclosure are discussed at www.census.gov/epcd/ec02/disclosure.htm.
Appendix D.
Geographic Notes

Not applicable for this report.
Appendix E.
Metropolitan and Micropolitan Statistical Areas

Not applicable for this report.