Why are gas bills higher this winter?

- Higher gas bills this winter are driven by the increasing price of gas in the US and around the world. The price of gas is rising as supply struggles to keep up with demand driven by colder weather and the post-pandemic economic recovery.

- Natural gas production has been strong, averaging around 93 Bcf per day in January, a five percent increase from January 2021.

- Domestic demand has been high, averaging 112 Bcf per day in January, a nine percent increase year over year.

- Once the updated numbers are released, natural gas production is likely to set a new record in 2021. Despite that surge in production high demand has contributed to large withdrawals from storage and increasing prices.

- Prompt month future prices averaged around $3.90 per MMBtu in January 2022 at the Henry Hub, a 36 percent increase from January 2021 when prompt month futures averaged $2.87 per MMBtu. Prices this heating season have been the highest sought by the market since, at least, 2016.
Daily Henry Hub prompt-month future prices in dollars (2016 - 2022)

Natural Gas Production and Demand in Bcf (2/25/2021 - 2/17/2022)

Source: Energy Information Administration, National Oceanic and Atmospheric Administration, S&P Global Platts
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