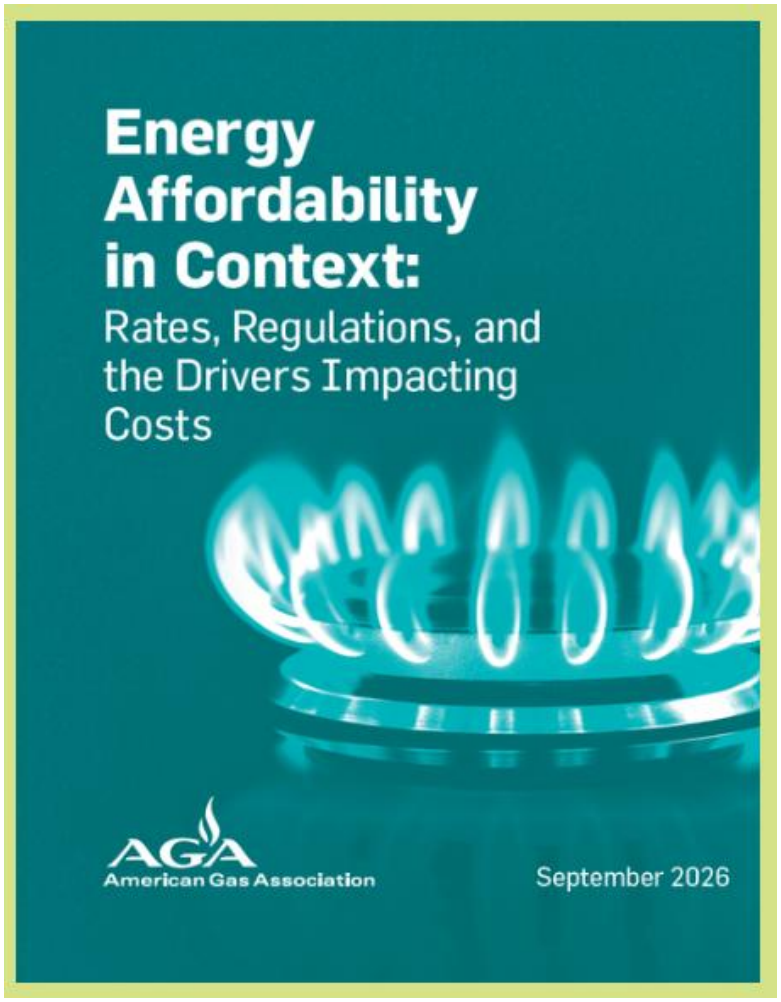
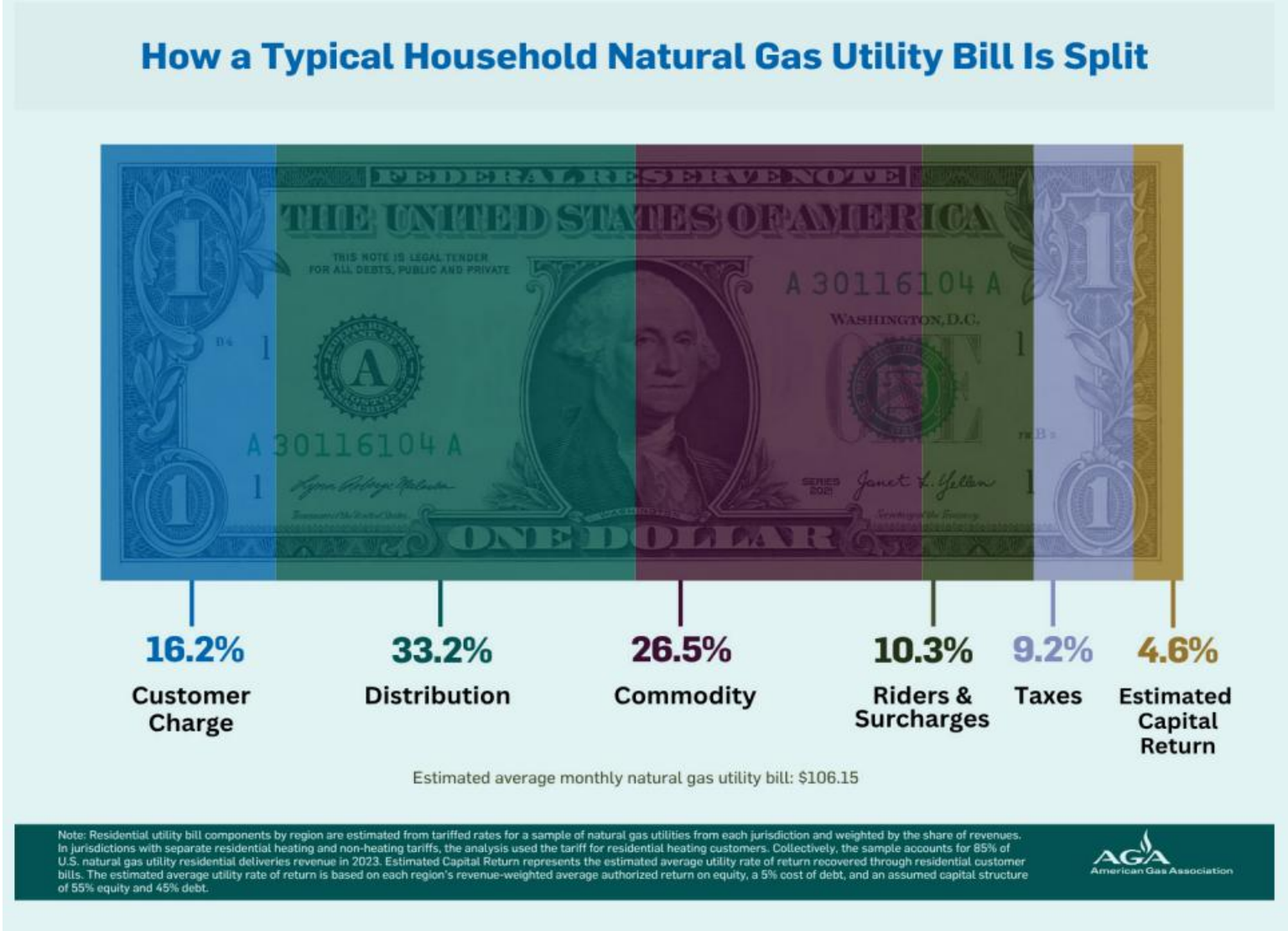
Anatomy of a Natural Gas Utility Bill



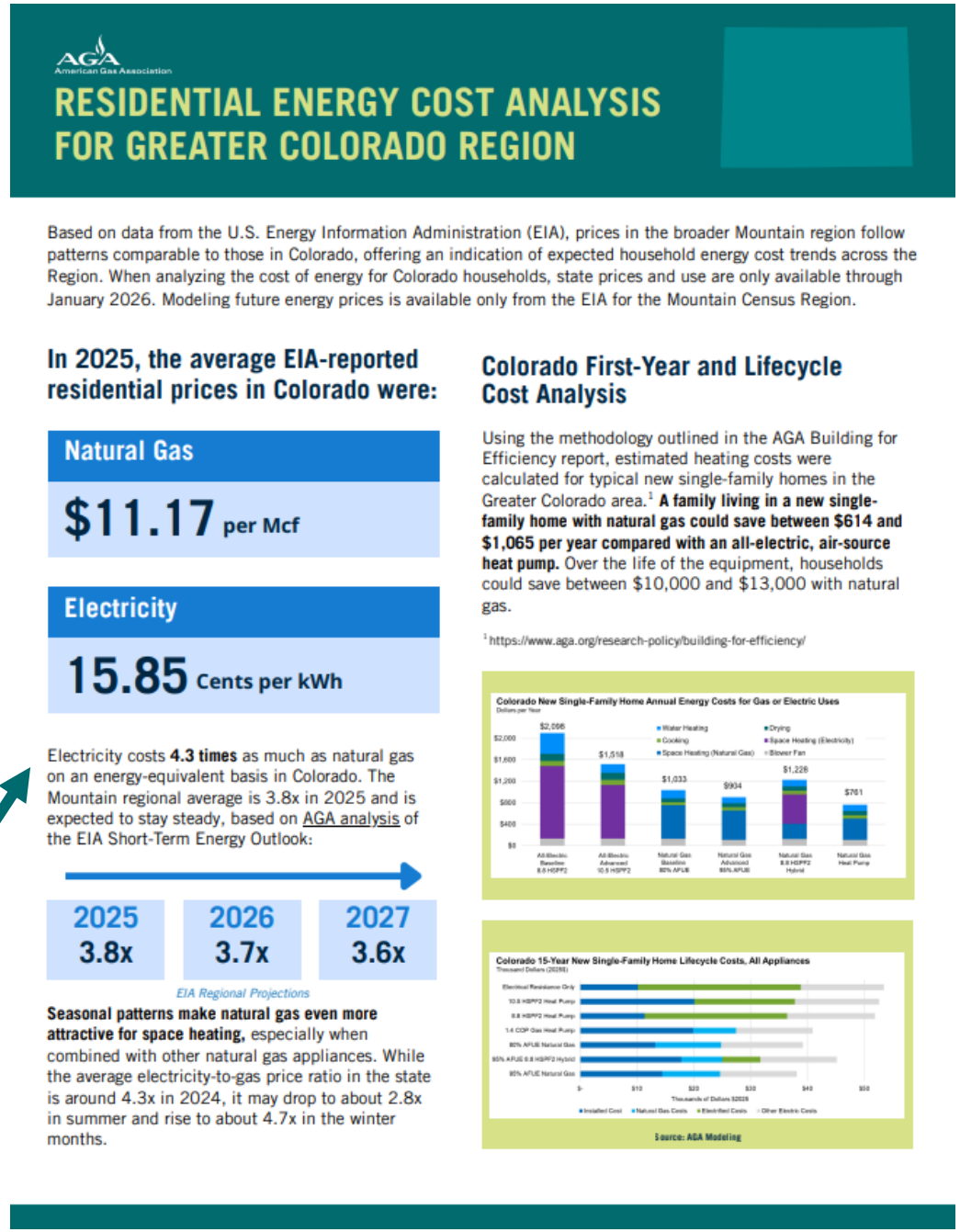


Energy costs by State: Colorado

Features of Each State Affordability Analysis

1. Presents the cost of electricity relative to natural gas on an energy-equivalent basis
2. Combines recent state prices with EIA regional forecasts to show where energy costs are heading
3. Translates energy prices into estimated household bills and lifecycle costs across equipment choices
4. Includes Winter Storm Fern analysis for select states
5. Adapted to 16 states and counting…

“Electricity costs 4.3 times as much as natural gas on an energy-equivalent basis in Colorado”



AGA American Gas Association

RESIDENTIAL ENERGY COST ANALYSIS FOR GREATER COLORADO REGION

Based on data from the U.S. Energy Information Administration (EIA), prices in the broader Mountain region follow patterns comparable to those in Colorado, offering an indication of expected household energy cost trends across the Region. When analyzing the cost of energy for Colorado households, state prices and use are only available through January 2026. Modeling future energy prices is available only from the EIA for the Mountain Census Region.

In 2025, the average EIA-reported residential prices in Colorado were:

Natural Gas

$11.17 per Mcf

Electricity

15.85 Cents per kWh

Electricity costs **4.3 times** as much as natural gas on an energy-equivalent basis in Colorado. The Mountain regional average is 3.8x in 2025 and is expected to stay steady, based on AGA analysis of the EIA Short-Term Energy Outlook:

2025	2026	2027
3.8x	3.7x	3.6x

EIA Regional Projections

Seasonal patterns make natural gas even more attractive for space heating, especially when combined with other natural gas appliances. While the average electricity-to-gas price ratio in the state is around 4.3x in 2024, it may drop to about 2.8x in summer and rise to about 4.7x in the winter months.

Colorado First-Year and Lifecycle Cost Analysis

Using the methodology outlined in the AGA Building for Efficiency report, estimated heating costs were calculated for typical new single-family homes in the Greater Colorado area.[1] **A family living in a new single-family home with natural gas could save between $614 and $1,065 per year compared with an all-electric, air-source heat pump.** Over the life of the equipment, households could save between $10,000 and $13,000 with natural gas.

[1] https://www.aga.org/research-policy/building-for-efficiency/

Resources

Affordability

AGA Affordability Resources

AGA Energy Affordability in Context

AGA Breakdown of a Residential Natural Gas Bill

Utility Financing

AGA 2024 Investor Perspectives on Natural Gas Utilities

AGA 2022 Investor Expectations on North American Natural Gas Utilities

AGA Sound Financing Delivers Lower Utility Bills

Energy Efficiency

AGA 2024 Natural Gas Efficiency Programs Report

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