Natural Gas Always Sells at a Discount to Gasoline and Diesel on a mmbtu Basis in the Market

*Natural gas is sold $/mmbtu (million Btu’s) based upon the energy content of the natural gas as measured in Btu’s or British Thermal Units. Gasoline and diesel are sold on the basis of $/gallon but each contain a certain amount of Btu’s per gallon. When you convert $/gallon for gasoline or diesel to $/mmbtu you can directly compare the value of natural gas to gasoline and diesel.*

Comparison of Diesel - Gasoline - Natural Gas on a mmbtu basis

* California wholesale rack price at refinery outlet  
** Avg of AECO, Henry Hub, CA City Gate and US wellhead