

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



W.Va. mine disaster still rocks Ky

The mining industry across the nation felt the blast a year ago when the worst coal mine disaster since 1970 rocked Beckley, W.Va., but in some ways, Kentucky mines have felt a higher number of aftershocks. The methane and coal dust explosion April 5, 2010, killed 29 men at the Upper Big Branch mine, owned by Massey Energy, that had accumulated hundreds of safety citations and several shutdown orders in the previous year alone. The federal Mine Safety and Health Administration underwent another “wake-up call,” agency chief Joe Main said in an interview last week. The agency immediately increased the number of unannounced “impact inspections” or blitzes that it carried out monthly at up to several dozen coal and other mines across the country. (The Herald Leader, April 5, 2011)

Duke and Progress Energy merger would create nation’s largest utility

Duke Energy and Progress Energy filed papers in North Carolina yesterday seeking approval for a merger. If regulators approve the merger, the resulting entity would be the largest utility in the United States. The proposed \$13.7 billion merger would create the nation’s largest utility, serving more than 7 million customers across six states. The proposed merger could be complete by the end of the year. The regulatory filing made no mention of possible rate increases resulting from the proposed merger. In addition, the filing did not address whether layoffs would result from the merger. The companies also filed for approval with the Federal Energy Regulatory Commission and regulators in Kentucky. The merger is likely to proceed without significant resistance, presuming subsequent filings prove to be as bland as yesterday’s filing. (Forbes, April 5, 2011)

U.S. Department of Energy and Qatar sign agreement to strengthen cooperation on clean energy

The U.S. Department of Energy (DOE) and the Qatar Science & Technology Park (QSTP) are today signing a Memorandum of Understanding (MOU) to promote collaboration on the development and deployment of cost-effective and sustainable clean energy technologies, building on the historically strong ties between the United States and Qatar. Under the expanded partnership, the countries will exchange scientific and technical information and undertake joint research, development, and deployment initiatives that will help spur energy innovation, create new markets for clean energy and support economic growth. (The U.S. Department of Energy, April 6, 2011)

Facebook to share energy-efficiency technology developed for data centers

Facebook said it planned to increase the energy efficiency of its data centers around the globe with the launch of the Open Computer Project, an initiative to share the technology it developed for its data center in rural Oregon. The popular social networking site said the technology had delivered a 38% increase in energy efficiency while lowering costs 24%. Facebook made the announcement at its Palo Alto headquarters Wednesday. “We have been working on this for at least a year, if not more,” Facebook founder and Chief Executive Mark Zuckerberg said. The load on data centers has spiked as Web companies process more data in real time, he said. Running energy-efficient data centers has become increasingly important for Internet companies. They are developing innovative technologies to save money and energy, and to impress on the public the efforts they are making to minimize the harm these energy-hogging technologies cause to the environment. (Los Angeles Times, April 7, 2011)

US energy secretary says consumers, producers wary of oil spike; expects international talks

The U.S. energy secretary says both oil-producing and oil-consuming countries are concerned about rising prices. Secretary Steven Chu spoke Thursday during a visit to Abu Dhabi, capital of the United Arab Emirates. He says oil prices “have an impact on a very fragile economic recovery” by putting additional strain on the world economy. Chu didn’t say whether he planned to hold discussions specifically about rising oil prices with U.S. allies in the Persian Gulf, but he did say he thinks there will be international talks about the issue. (The Washington Post, April 7, 2011)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	4/7/2011	4/1/2011	3/24/2011	3/17/2011	Year Ago
Gasoline (State avg.)	3.695	3.6	3.489	3.49	2.798
Ashland	3.854	3.648	3.537	3.535	2.794
Covington	3.771	3.627	3.551	3.542	2.854
Lexington	3.745	3.615	3.506	3.511	2.77
Louisville	3.604	3.637	3.519	3.51	2.851
Owensboro	3.64	3.484	3.419	3.419	2.704
Diesel (State avg.)	3.923	3.893	3.861	3.862	2.945
Ashland	3.956	3.912	3.85	3.844	2.994
Covington	3.948	3.93	3.891	3.898	2.961
Lexington	3.927	3.9	3.86	3.872	2.949
Louisville	3.905	3.881	3.848	3.857	2.948
Owensboro	3.911	3.853	3.828	3.848	2.881

Note: The record high average price for gasoline in Kentucky is \$4.089, reported on July 10, 2008.
 Source: Gasoline (unleaded regular) & Diesel: National AAA,

Wholesale Fuel Prices

Spot Prices	4/6/2011	3/31/2011	3/23/2011	3/16/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	108.83	106.72	105.25	97.98	85.88
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4.19	4.295	4.205	3.843	4.085

Source: Wall Street Journal

Futures		11-May	11-Jun	11-Jul
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	4/6/2011	108.83	109.48	110.05
	3/31/2011	106.72	107.24	107.71
	3/23/2011	105.75	106.21	*
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4/6/2011	4.146	4.22	4.302
	3/31/2011	4.389	4.458	4.533
	3/23/2011	4.412	4.477	*
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	4/6/2011	1.4	1.394	1.396
	3/31/2011	1.372	1.376	1.383
	3/23/2011	1.41	1.411	*
Coal (Dollars per ton) <i>Central Appalachian</i>	4/6/2011	75.3	75.32	75.95
	3/31/2011	77.75	77.75	77.88
	3/23/2011	77.02	76.82	*

Source: CME Group



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