

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



LG&E, KU file for rate increases over next 5 years totaling 19.2%

In order to comply with new and pending mandated federal Environmental Protection Agency regulations, Louisville Gas and Electric Co. and Kentucky Utilities Co. announced today that they plan to request approval to install environmental upgrades for their coal-fired plants along with the recovery of the expected \$2.5 billion in costs. The companies' environmental cost recovery plans (ECR) and certificates of public convenience and necessity (CPCN), to be filed with the Kentucky Public Service Commission June 1, will detail the upgrades required to meet the impending regulations. (The Lane Report, May 25, 2011)

Kelly Elementary earns ENERGY STAR

Reduced energy consumption has made one school a star. Kelly Elementary was named an ENERGY STAR building and was honored in a ceremony at the school May 23. Greg Guess from the Department for Energy Development and Independence presented the ENERGY STAR award for Kelly Elementary to Boone County Schools Superintendent Randy Poe. "It is an awesome thing for the school," said Principal Joe Beil. (NKY.com, May 25, 2011)

Seeing green: LCHS's Energy Team honored for sustainable efforts

Members of Lincoln County High School's Energy Team already have saved their school thousands of dollars in reduced energy costs. But the semester-old organization has even bigger plans for the future. The team, headed by teacher Carie Faulkner, received a certificate at the Kentucky Green and Healthy Schools-Kentucky National Energy Education Development Youth Summit in Frankfort last week, and spent the entire ride home thinking of ways to add more green to the Patriots' red, white and blue school. (The Advocate-Messenger Online, May 25, 2011)

State manufacturers forced to find energy savings

More than 300 Kentucky manufacturing and related industry professionals gathered in Louisville in late April to discuss the shifting energy industry and steps they can take to control rising energy costs. What they heard from the governor, legislators, utilities and energy-industry professionals was this: The time is now to analyze where and how manufacturers use energy so they can implement energy-efficiency strategies that put them in the best possible position for a vastly different energy future. Kentucky has enjoyed electricity prices among the lowest in the nation. Thus, manufacturers traditionally have not carefully managed and controlled their energy consumption. (The Herald-Leader, May 23, 2011)

Sierra Club accuses coal company of violations at Leslie County mine

The Sierra Club has sued a coal company, alleging environmental violations at a large surface mine in Leslie County. The lawsuit charges that ICG Hazard LLC has discharged selenium and other pollutants into creeks near the Thunder Ridge mine in violation of federal law, state standards and its own permit conditions. The complaint seeks several remedies, including orders for the mine to stop discharges that violate clean-water standards, and install adequate treatment facilities. It also seeks penalties of up to \$37,500 per day per violation against the company. (The Herald-Leader, May 24, 2011)

Feds: Massey, Peabody ordered to turn over records

An administrative law judge has ordered Massey Energy and Peabody Energy to turn over information about coal mine accidents, injuries and work-related illnesses to federal regulators. The Mine Safety and Health Administration said Tuesday that Virginia-based Massey and St. Louis-based Peabody refused to turn over information it needed to determine if eight mines in Illinois, Indiana, Kentucky, Virginia and West Virginia should be subject to greater enforcement because of persistent violations. (Bowling Green Daily News, May 24, 2011)

Alternative fuels gaining ground in Congress | POLL

Congress hasn't come up with an answer to skyrocketing gasoline prices, but some lawmakers are taking a hard look at developing alternative fuels as a partial response to the problem. The Senate last week engaged in partisan squabbling, rejecting a Republican proposal to enhance domestic oil drilling and a Democratic plan to repeal tax breaks afforded major oil companies who, Democrats claim, are gouging consumers at the pump. The inaction comes despite a recent Gallup poll showing nearly seven of 10 Americans say the high gasoline costs are creating a financial hardship. (Evansville Courier and Press, May 22, 2011)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	5/26/2011	5/20/2011	5/13/2011	5/6/2011	Year Ago
Gasoline (State avg.)	3.745	3.873	4.019	3.914	2.774
Ashland	3.868	3.967	4.037	4.031	2.755
Covington	3.825	3.931	4.151	4.035	2.743
Lexington	3.727	3.862	4.029	3.908	2.637
Louisville	3.844	3.973	4.13	3.901	2.65
Owensboro	3.748	3.832	3.945	3.924	2.624
Diesel (State avg.)	3.942	3.988	4.038	4.061	3.029
Ashland	4.025	4.045	4.046	4.077	3.025
Covington	3.954	3.995	4.046	4.089	3.016
Lexington	3.959	3.996	4.03	4.058	3.015
Louisville	3.966	4.009	4.049	4.058	2.986
Owensboro	3.944	3.997	4.042	4.072	3.007

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	5/26/2011	5/19/2011	5/12/2011	5/6/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	101.32	98.44	98.97	99.8	68.01
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4.358	4.055	4.1	4.3	4.14

Source: Wall Street Journal

Futures		11-Jun	11-Jul	11-Aug
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	5/26/2011	99.94	101.32	101.82
	5/19/2011	98.44	98.93	99.32
	5/12/2011	98.97	99.48	99.85
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	5/26/2011	4.379	4.423	4.469
	5/19/2011	4.094	4.161	4.214
	5/12/2011	4.194	4.256	4.3
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	5/26/2011	1.486	1.486	1.489
	5/19/2011	1.51	1.51	1.513
	5/12/2011	1.517	1.519	1.523
Coal (Dollars per ton) <i>Central Appalachian</i>	5/26/2011	74.88	75.65	76.15
	5/19/2011	75.82	75.53	75.86
	5/12/2011	73.13	74.18	74.18

Source: CME Group



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