

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



LG&E, Ky. Utilities win honors thanks to schools in Bullitt County

Kentucky was recently recognized as the distinguished 2011 “state of the year” by the National Energy Education Development (NEED) Project for its state energy education program. The state’s program partnered with the Louisville Gas and Electric Company and Kentucky Utilities Company Children’s Energy Education Program to help incorporate energy education in eight Bullitt County schools. Since 2009, the LG&E and KU Children’s Energy Education Program has reached 1,900 teachers in more than 600 schools within 66 Kentucky counties and 80,000 students throughout the service territory. (Pioneer News, Sept. 8, 2011)

To pay less as electric rates rise, Kentuckians will have to be pro-active

There’s no doubt that Kentucky’s electricity bills are on the rise, as utilities sort out how much it will cost them to comply with new federal environmental regulations. Kentucky Utilities, the largest electricity provider in Central Kentucky, has asked the state Public Service Commission for permission to increase the average customer’s monthly bill more than 12 percent by 2016. The state regulatory body will hear the concerns and questions of Lexington residents Wednesday night at a public meeting at Bryan Station High School. (The Herald-Leader, Sept. 6, 2011)

KY proposes settlement with coal company over water pollution

The Kentucky Department for Environmental Protection is proposing a settlement with a coal company over thousands of alleged violations of the Clean Water Act in eastern Kentucky. The deal will set a new record for pollution penalties in Kentucky, but environmental groups say it still falls short. The Kentucky Energy and Environment Cabinet filed a consent agreement earlier this week with Bardstown-based coal company Nally and Hamilton to address numerous violations of the Clean Water Act. They’re proposing the violations be settled for \$507,000. (WFPL News, Sept. 9, 2011)

Perry residents sue coal company over flood damage

Several Lost Creek residents are suing the Frasure Creek Mining Company following damages to their property sustained during a flash flood on June 20. According to the lawsuit filed by attorney Ned Pillersdorf, the mine company failed to meet the approved plans for drainage systems at its Frasure Creek No. 8 site in the Lost Creek community. “Plaintiffs allege that the landslides and flooding they experienced on that date were direct consequences of the Defendants’ extra-hazardous activities in the watershed,” Pillersdorf explained in the complaint. The 30 residents involved in the lawsuit were affected by the landslides and flooding, and all incurred property damages as a result. Several residents had damages to water wells that served as their main source of water. (Hazard-Herald, Sept. 2, 2011)

PSC seeks reconsideration of federal rule on electric transmission improvements

The Kentucky Public Service Commission (PSC) has asked the Federal Energy Regulatory Commission (FERC) to reconsider a rule that governs the planning and cost allocation for new or upgraded regional electric transmission lines. Kentucky was among about 60 entities asking FERC for a rehearing of its Order 1000. Rehearing requests have come from several states, utilities and interest groups, including the National Association of Regulatory Utility Commissioners, of which the PSC is a member. FERC Order 1000, issued July 21, outlines rules for interstate electric transmission planning. All electric transmission providers are required to take part in the process. The rule also outlines how utilities must allocate costs of new transmission lines approved through the new planning process. (Power Engineering, Sept. 3, 2011)

Trimble sees gains in energy savings

Trimble County schools have made headway saving energy, but more needs to be done, the Trimble County Board of Education was told Wednesday night. Sherman Adams, energy manager for several school districts in the state, told the board that although energy use has been decreased at Bedford Elementary and Trimble County High School for a savings of more than \$5,000, the savings were offset by increased use at Trimble County Middle School and Milton Elementary. “Over the next school year we hope to more closely follow the school shutdown checklist to see a reduction in energy usage,” Adams said. Past projects to help reduce energy use included changing gym lights in the high school and middle school to more energy-efficient fixtures, and replacing exterior lighting and air conditioning equipment at the middle school with more energy-efficient equipment. (Madison Courier, Sept. 8, 2011)

Patriot Coal receives commissioner’s reclamation award from the Kentucky Department For Natural Resources

Patriot Coal Corporation (NYSE: PCX) today announced that the Kentucky Department for Natural Resources recognized the Patriot Surface Mine at the Bluegrass Complex in Henderson County, Kentucky, for its reclamation efforts. The Commissioner’s Reclamation Award is presented annually to acknowledge exceptional reclamation activities in the state of Kentucky. (PR Newswire, Sept. 8, 2011)

SolarCity to bring rooftop solar systems to Ky. military bases

The U.S. Department of Energy has guaranteed a \$1 billion loan for SolarCity Corp. SolarCity Corp. to help the company double the number of rooftop, solar power systems. As part of a five-year program, the company will install systems on military residences and buildings in as many as 33 states, according to a Bloomberg report. (Business First, Sept. 8, 2011)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	9/9/2011	9/2/2011	8/26/2011	8/19/2011	Year Ago
Gasoline (State avg.)	3.628	3.628	3.561	3.502	2.67
Ashland	3.677	3.68	3.687	3.514	2.725
Covington	3.692	3.682	3.609	3.567	2.764
Lexington	3.629	3.64	3.607	3.499	2.722
Louisville	3.596	3.64	3.512	3.458	2.75
Owensboro	3.576	3.571	3.514	3.474	2.554
Diesel (State avg.)	3.87	3.855	3.818	3.829	2.899
Ashland	3.89	3.896	3.816	3.841	2.921
Covington	3.822	3.773	3.778	3.777	2.919
Lexington	3.871	3.84	3.791	3.807	2.898
Louisville	3.85	3.812	3.779	3.791	2.898
Owensboro	3.862	3.85	3.836	3.82	2.869

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	9/9/2011	9/2/2011	8/26/2011	8/19/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	89.05	88.93	85.3	82.38	74.25
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.985	4.175	3.993	3.98	3.785

Source: The Wall Street Journal

Futures		11-Oct	11-Nov	11-Dec
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	9/9/2011	89.05	89.23	89.49
	9/2/2011	88.93	89.24	89.62
	8/26/2011	84.12	87.04	87.49
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	9/9/2011	3.98	4.068	4.265
	9/2/2011	4.05	4.166	4.381
	8/26/2011	3.931	3.955	4.09
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	9/9/2011	1.597	1.6	1.605
	9/2/2011	1.583	1.589	1.595
	8/26/2011	1.528	1.529	1.537
Coal (Dollars per ton) <i>Central Appalachian</i>	9/9/2011	75.22	75.39	75.59
	9/2/2011	76.53	76.78	77.03
	8/26/2011	75.47	74.53	74.53

Source: CME Group



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