

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues

Ky. gas tax set to increase again next month

Gas prices are getting ready to go up again in Kentucky. On July 1, the state's gas tax will increase 2.1 cents per gallon. That means motorists will be paying nearly 30 cents in state taxes for each gallon they purchase. The increase is automatic because Kentucky's tax is tied to the average cost of wholesale gas, which has been rising. (Herald Leader - June 14, 2012)

Mining equipment manufacturer to lay off 37 in Lebanon

Joy Global, a mining equipment manufacturer, plans to lay off 37 employees at its Lebanon plant. The Milwaukee-based company disclosed the actions, which are expected to be taken by July 20, in a filing that government officials require businesses to make before large layoffs. In the filing, Joy Global human resources manager Mary Cambron noted the company is "experiencing a temporary decrease in customer orders across the U.S." Our customers are facing an unstable market due to competition from natural gas suppliers, lower domestic demands of coal and decreasing coal prices," she wrote. "Joy is unclear as to the length of this down market, but we will continue working to bring as many products into our plant as possible to negate the effect this will have on our workforce and the community." (Herald Leader - June 13, 2012)

TARC joins national "dump the pump" effort Thursday

TARC is joining other public transportation systems nationwide to participate in the seventh annual National Dump the Pump Day on Thursday, June 21. The slogan of this year's National Dump the Pump Day is "Dump the Pump. Save Money. Ride Transit." Sponsored by the American Public Transportation Association (APTA), the 2012 National Dump the Pump Day is a day that encourages people to ride public transportation and save money, instead of driving a car. "Dump the Pump Day is the perfect opportunity to remind people that we offer an efficient and inexpensive way to travel around Louisville and southern Indiana," said TARC Executive Director Barry Barker. "It's a good day to give TARC a try." (WDRB.com - June 19, 2012)

Biodiesel becomes key part of mechanic training

It won't be long before mechanics across the U.S. know all about biodiesel. The National Automotive Technician Education Foundation (NATEF) has awarded the Automotive Service Excellence accreditation to NBB Biodiesel for Diesel Technicians curriculum. The curriculum was created to provide technically sound information to mechanics about biodiesel and eliminate misperceptions. "We are delighted to have the National Biodiesel Board as an accredited training organization; it is important to have good technical information to educate the next generation of diesel technicians in advanced biofuels," said Dave Milne, President of the Automotive Training Managers Council, a division of ASE. (DomesticFuel.com - June 13, 2012)

Ag Energy Coalition urges Senate leaders to defend farm bill energy programs

The Agriculture Energy Coalition (AgEC) yesterday sent a letter to Senate Majority Leader Harry Reid (D-Nev.) and Minority Leader Mitch McConnell (R-Ky.) urging them to defend reauthorization and significant mandatory funding for Farm Bill Energy Title programs as passed by the Senate Agriculture Committee. Several amendments have been offered during Senate floor debate of the Agriculture Reform, Food and Jobs Act of 2012 (S.3240) that would undercut these critical programs. "America's agriculture, biotechnology and renewable energy industries are world leaders in the development and commercialization of biofuels, bioproducts, biopower, biogas, energy crops, renewable electricity and energy efficiency. These important and growing industries have already made significant contributions to our economic, environmental and national security and are poised to have an even more profound impact in the coming years -- provided we commit ourselves to supporting and nurturing them with sound, consistent, forward-looking policies in the years ahead," the letter states. (Market Watch - June 14, 2012)

Oil prices fall as U.S. supplies grow

The price of oil dropped almost 3 percent Wednesday as the sluggishness of the economy was underscored by more pessimism from the Federal Reserve and a surprising jump in U.S. oil supplies. Benchmark U.S. crude fell by \$2.47 to \$81.56 per barrel in New York. Brent crude, which is used to price much of the oil imported into the U.S., lost \$1.83 to \$93.93 per barrel in London. Oil has been sliding for several weeks as the global economy appeared to slow down. The Energy Information Administration said oil and gasoline demand dropped last week in the U.S. Supplies also grew by 2.9 million barrels, a surprise for analysts who had predicted that supplies would fall by 600,000 barrels. (Lex18.com - June 20, 2012)

Republicans, Democrats at odds on energy issues

Republicans and Democrats seem to be living on different planets when it comes to how to meet U.S. energy needs. Republicans overwhelmingly push for more oil drilling. Democrats back conservation and new energy sources such as wind and solar power. A survey by The Associated Press-NORC Center for Public Affairs Research shows that the polarized positions on energy that have divided Congress and emerged in the presidential campaign also run deep among the public. While majorities in both parties say energy is an important issue, the poll shows that partisan identification is closely tied to people's perceptions of the causes of the country's energy problems and possible solutions. No other demographic factor - not race, age, gender or income level - is as consistently associated with opinions on energy as political party identification. (Herald Leader - June 13, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	6/21/2012	6/14/2012	6/7/2012	5/31/2012	Year Ago
Gasoline (State avg.)	3.357	3.412	3.455	3.509	3.531
Ashland	3.423	3.535	3.6	3.686	3.566
Covington	3.603	3.689	3.683	3.74	3.646
Lexington	3.311	3.453	3.484	3.44	3.471
Louisville	3.514	3.436	3.491	3.58	3.584
Owensboro	3.314	3.361	3.365	3.451	3.555
Diesel (State avg.)	3.722	3.77	3.816	3.866	3.886
Ashland	3.726	3.778	3.828	3.89	3.945
Covington	3.802	3.843	3.856	3.932	3.87
Lexington	3.749	3.789	3.838	3.873	3.848
Louisville	3.769	3.82	3.876	3.894	3.873
Owensboro	3.768	3.831	3.846	3.898	3.916

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	6/20/2012	6/13/2012	6/6/2012	5/30/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	81.8	82.62	85.02	87.82	95.41
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.595	2.195	2.395	2.395	4.418

Source: the Wall Street Journal

Futures		12-Jul	12-Aug	12-Sep
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	6/20/2012	81.80	81.45	81.84
	6/13/2012	82.62	82.92	83.19
	6/6/2012	85.02	85.33	85.64
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	6/20/2012	2.517	2.555	2.548
	6/13/2012	2.185	2.236	2.281
	6/6/2012	2.421	2.474	2.521
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	6/20/2012	0.822	0.831	0.844
	6/13/2012	0.769	0.777	0.788
	6/6/2012	0.785	0.792	0.801
Coal (Dollars per ton) <i>Central Appalachian</i>	6/20/2012	54.18	54.51	54.76
	6/13/2012	54.57	54.88	55.15
	6/6/2012	54.82	55.72	55.97

Source: CME Group

* - Information Not Available



The Department for Energy Development and Independence does not discriminate on the basis of race, color, national origin, sex, age, religion or disability and provides, on request, reasonable accommodations including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternative format, call the Department for Energy Development and Independence at (800) 282-0868. Persons with hearing and speech impairments can contact the agency by using the Kentucky Relay Service, a toll-free telecommunication device for the deaf (TDD). For voice to TDD, call (800) 648-6057. For TDD to voice, call (800) 648-6056.

