

# Kentucky Energy Watch

Department for Energy Development and Independence

*A snapshot of state and national energy issues*



## ***Get into energy efficiency habits this October***

October is Energy Awareness Month. The Energy Education Council encourages you to turn awareness into action and to take steps to become more energy efficient this October. “Energy is a vital part of our modern lives. We use energy in our homes, businesses, and transportation,” explains Molly Hall, executive director of the Energy Education Council. “We hope that people will make changes during Energy Awareness Month that become year-round efficiency habits.” (Lex18 – Oct. 2, 2012)

## ***Grant to pursue LEED status for NuLu could set stage for future sustainability***

Louisville’s Downtown Development Corporation has won a grant to pursue LEED designation for the city’s East Market—or NuLu—neighborhood. LEED stands for “Leadership in Energy and Environmental Design,” and the certification is usually given to buildings that incorporate various energy efficient and sustainable features. But there’s also a LEED neighborhood designation, and now the DDC has \$25,000 to pursue it. There’s already been an initial application filed for the certification. The grant money will be used for the extensive, several years of data gathering necessary to get the status. Louisville Sustainability Director Maria Koetter says if NuLu is LEED certified it will attract national attention. (WFPL News – Oct. 22, 2012)

## ***Coal company facing fines no longer mining in Ky.***

A coal company facing fines for water quality violations in eastern Kentucky says it is no longer mining coal in the state, and its financial problems have kept it from resolving a court-ordered mediation over the penalties with state officials and environmental groups. Frasure Creek Mining of Scott Depot, W.Va., which has about seven mining complexes in Kentucky, has no income, Michael Haines, general counsel for Kentucky’s Energy and Environment Cabinet, said Monday. Attorneys met in Franklin County Circuit Court to discuss the status of the case, which began in 2010 when environmentalists pointed out questionable water quality monitoring practices by Frasure Creek and another coal company, International Coal Group. Frasure Creek said Monday that it is willing to pay \$310,000 for the past violations, which is the original amount demanded by the state before it was challenged by environmentalists in court. (CBS Money Watch – Oct. 23, 2012)

## ***State in talks with UK over troubled fuel lab***

The Kentucky Department of Agriculture is in talks with the University of Kentucky’s College of Agriculture and the Center for Applied Energy Research to jointly operate the state’s troubled fuel-testing lab. Agriculture Commissioner James Comer told a panel of legislators Wednesday that a task force he appointed is exploring possibilities with Scott Smith, UK’s agriculture dean, and Mark Crocker, associate director of the research center. The lab has about \$3.1 million in high-tech equipment that the university could use for a multitude of testing purposes and has experts who might be able to take over the testing under contract to the state. (The Herald Leader – Oct. 10, 2012)

## ***City to consider another natural gas contract***

When the Henderson City Commission meets Tuesday it will consider yet another contract with the Public Energy Authority of Kentucky Inc.; similar past contracts have resulted in saving large amounts of money for the city’s natural gas customers. The contract is part of a 30-year gas agreement with Morgan Stanley Capital Group. PEAK will issue the bonds to fund the gas purchase from Morgan Stanley. The city commission is being asked to authorize the contract between PEAK and the city. It sets out the rights and obligations of both parties and establishes procedures for charges and billing, as well as miscellaneous other matters. (The Gleaner – Oct. 21, 2012)

## ***Gas gets cheaper, but still isn’t cheap***

Gasoline across the U.S. is cheaper after a week of rapid price declines. But it still isn’t cheap. The national average for a gallon of gas has dropped 13 cents in the past week to \$3.625. That’s the biggest weekly decline since the 7-day period ended Nov. 28, 2008, according to Oil Price Information Services analyst Fred Rozell. Falling oil prices, rising supplies of gasoline and a switch by refiners to cheaper winter blends of gas have contributed to lower pump prices. (Lex18 – Oct. 24, 2012)

## ***Magnum Hunter shuts 400 natural gas wells in Kentucky***

Oil and gas producer Magnum Hunter Resources Corp said it shut about 400 natural gas wells in Kentucky in the current quarter due to reduced natural gas prices and higher transportation costs. Natural gas prices, which were as high as \$14 per million British thermal units (mmBtu) in 2005, are slightly below \$3 per mmBtu now. The company also estimates output of about 9.5 million cubic feet equivalent per day (mmcfe/d) being curtailed after the company’s wells in the Appalachia region were affected by a thunderstorm in June. (Reuters – Sept. 26, 2012)

**Kentucky Retail Fuel Prices (Dollars per gallon)**

Product	10/25/2012	10/18/2012	10/11/2012	10/4/2012	Year Ago
Gasoline (State avg.)	3.447	3.622	3.736	3.663	4.006
Ashland	3.462	3.66	3.798	3.686	3.315
Covington	3.447	3.627	3.742	3.775	3.365
Lexington	3.358	3.566	3.724	3.700	3.331
Louisville	3.515	3.662	3.784	3.554	3.348
Owensboro	3.383	3.531	3.644	3.662	3.254
Diesel (State avg.)	4.061	4.056	4.039	3.998	3.797
Ashland	4.001	4.082	4.084	4.072	3.809
Covington	4.003	4.054	4.027	3.964	3.774
Lexington	4.004	4.066	4.051	3.991	3.811
Louisville	4.024	4.054	4.03	3.979	3.805
Owensboro	4.058	4.055	4.039	4.051	3.774

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,

Product	10/22/2012	10/15/2012	10/8/2012	10/1/2012	Year Ago
Heating Oil (dollars per gallon)	4.027	3.959	3.978	4.032	3.798
Propane (dollars per gallon)	2.385	2.362	2.376	2.369	2.791

Source: the U.S. Energy Information Administration

**Wholesale Fuel Prices**

Spot Prices	10/24/2012	10/17/2012	10/10/2012	10/3/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	85.73	92.12	91.25	88.14	90.2
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.428	3.268	3.238	3.21	3.656

Source: the Wall Street Journal

Futures		12-Nov	12-Dec	13-Jan
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/24/2012	88.73	85.73	86.29
	10/17/2012	92.12	92.59	93.08
	10/10/2012	91.25	91.64	92.11
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	10/24/2012	3.45	3.776	3.9
	10/17/2012	3.47	3.82	3.956
	10/10/2012	3.475	3.783	3.923
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	10/24/2012	0.972	0.977	0.988
	10/17/2012	0.958	0.964	0.978
	10/10/2012	0.954	0.959	0.974
Coal (Dollars per ton) <i>Central Appalachian</i>	10/24/2012	59.5	59.7	62.03
	10/17/2012	54.6	55.42	59.93
	10/10/2012	53.52	54.3	60.07

Source: CME Group

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