

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues

## **Kentucky Public Service Commission: natural gas costs this winter lower than last year**

Natural gas costs at the start of the 2012-2013 heating season are projected to be lower than at any time in the last 10 years, the Kentucky Public Service Commission (PSC) said today. On average, Kentucky customers can expect to pay about 12 percent less this November than last if they consume 10,000 cubic feet of natural gas. The average total bill for 10,000 cubic feet - including base rates - is projected to be about \$85.55. That is down more than \$65 since November of 2008 - a decrease of 43% over the last four years. (4-Traders - Oct. 31, 2012)

## **Developing Perry County: Alternative uses for coal could help slowing industry**

While a newly diversified energy market in the United States has slowed coal sales over the last few years, Eastern Kentucky's primary resource is still being used in a number of manufactured items. And some say there could be a resurgence of coal as a component in a wide variety of household products, which could in turn help prevent future job loss in the local mining industry. It is no surprise to the people of Kentucky's Eastern Coal Fields that coal production numbers have been down due to changes in the production of electricity and regulations on coal-fired plants. This has meant a virtual standstill in new mining and the closure of some existing mines in the past year. (Hazard-Herald - Oct. 30, 2012)

## **OMU study includes natural gas impact**

As Owensboro Municipal Utilities attempts to chart a course for itself in the complicated world of energy marketing, made even more complicated by competition from low-cost natural gas, a comprehensive study of OMU's management and methods is under way, and the impact of natural gas will be a large component of that study. Outside consultant Science Application International Corp., according to its proposal to OMU and the city of Owensboro, seems aware of the impact low natural gas prices are having on coal burners like OMU. Under "Understanding of Project" in its proposal, this is what SAIC says about natural gas: "While increased production and natural gas reserves have had a welcoming effect of lower prices, decreased CO2 contributions and increased reliability/resilience of the domestic energy industry, it has had negative effects on traditional energy assets such as coal-fired generation and natural gas pipeline companies. Natural gas is quickly becoming the predominant fuel of choice, and plants are quickly switching into natural gas and out of coal." (Equities - Oct. 29, 2012)

## **40 miners lose jobs at Cumberland mine**

Alpha Natural Resources (ANR) said Tuesday the Still House Branch Mine at Cumberland will close leaving 40 miners without jobs and 40 additional miners being reassigned to other company mines located nearby. "We have 12 or 13 more people left at the mine doing clean-up work," said ANR Manager of External Communications Rick Nida. "The closing of this mine was all part of what we announced in September reporting we would be closing some of our mines. This is just part of that." Nida said the 40 miners reassigned will be working at Alpha's Cloverlick Mines #1 and #3 and Northfork #5 and #6. (Equities - Oct. 31, 2012)

## **Top 5 tips to battle energy-guzzling monsters**

Halloween season is not the only time of year when vampires may be lurking in the dark corners of your home, or when you might be haunted by a spare refrigerator or freezer sitting silently in your basement or garage poised to consume more energy than it should. Kentucky Utilities offers customers "Top Five Tips" to help reduce energy usage at home and identify common energy users on a mission to drain the life out of your wallet. (Surf KY - Oct. 27, 2012)

## **10,000 jobs in Ohio tied to energy efficiency**

Ohio has nearly 10,000 people whose jobs involve improving energy efficiency, and their work generates \$2.1 billion in annual sales, according to a new report. Central Ohio accounts for nearly 20 percent of that total, both in jobs and revenue, according to the report, produced by Advanced Energy Economy, a nonprofit trade group that promotes efficient energy use. The group is releasing the study today to coincide with a conference it is hosting in Columbus. "I think the jobs numbers are, if anything, conservative," said John Seryak, CEO of Go Sustainable Energy in Clintonville. (The Columbus Dispatch - Oct. 30, 2012)

## **Renewable energy investment continues to leave North America**

Financial woes grip the world. The American economy continues to sag, Europe teeters on the brink of collapse, and even the Chinese economy is starting to worry. In many countries, funds are being redirected towards shoring up existing industries and practices, threatening sustainable development in poor and rich countries alike. Renewable energy investment is bucking the trend, according to global investment analysts Preqin, but funds are continuing to leave North America despite a report at the beginning of the year that the US had overtaken China. (Clean Technica - Oct. 31, 2012)

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

Product	11/1/2012	10/25/2012	10/18/2012	10/11/2012	Year Ago
Gasoline (State avg.)	3.363	3.447	3.622	3.736	3.402
Ashland	3.307	3.462	3.66	3.798	3.425
Covington	3.411	3.447	3.627	3.742	3.417
Lexington	3.391	3.358	3.566	3.724	3.452
Louisville	3.381	3.515	3.662	3.784	3.438
Owensboro	3.332	3.383	3.531	3.644	3.223
Diesel (State avg.)	3.972	4.061	4.056	4.039	3.841
Ashland	3.981	4.001	4.082	4.084	3.856
Covington	3.978	4.003	4.054	4.027	3.816
Lexington	3.967	4.004	4.066	4.051	3.853
Louisville	3.999	4.024	4.054	4.03	3.828
Owensboro	4.001	4.058	4.055	4.039	3.785

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	10/29/2012	10/22/2012	10/15/2012	10/8/2012	Year Ago
Heating Oil (dollars per gallon)	3.658	3.753	3.755	3.714	3.427
Propane (dollars per gallon)	2.03	1.996	2.014	2.034	2.548

Source: U.S. Energy Information Administration

### Wholesale Fuel Prices

Spot Prices	10/31/2012	10/24/2012	10/17/2012	10/10/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	86.24	85.73	92.12	91.25	92.51
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.49	3.428	3.268	3.238	3.425

Source: the Wall Street Journal

Futures		12-Dec	13-Jan	13-Feb
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/31/2012	86.24	86.73	87.28
	10/24/2012	85.73	86.29	86.84
	10/17/2012	92.59	93.08	93.54
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	10/31/2012	3.692	3.82	3.827
	10/24/2012	3.776	3.9	3.91
	10/17/2012	3.82	3.956	3.971
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	10/31/2012	1.001	1.011	1.01
	10/24/2012	0.977	0.988	0.986
	10/17/2012	0.964	0.978	0.977
Coal (Dollars per ton) <i>Central Appalachian</i>	10/31/2012	59.55	60.98	60.98
	10/24/2012	59.7	62.03	62.03
	10/17/2012	55.42	59.93	59.93

Source: CME Group

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