

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



PSC accepts settlement in Big Sandy RECC case

The Kentucky Public Service Commission (PSC) has accepted a proposed settlement in a rate adjustment case filed by Big Sandy Rural Electric Cooperative Corp. (Big Sandy RECC). Under the agreement Big Sandy RECC reached with the Kentucky Office of Attorney General, the utility will receive its requested 3.7 percent increase in annual revenue. Its annual revenue will increase by about \$911,000, to about \$25.3 million. But the settlement changes the manner in which the additional revenue will be generated. Less will come through the flat monthly customer charge and more from usage-based energy charges. The PSC approved the settlement in an order issued Wednesday and allowed the new rates to take effect from the first of this month. (usagnet – Nov. 6, 2012)

Oil price steadies after year's biggest drop

The price of oil rose above \$85 a barrel Thursday, recovering only a fraction of the previous day's losses, which were the biggest of the year. By early afternoon in Europe, benchmark crude for December delivery was up 86 cents to \$85.30 a barrel in electronic trading on the New York Mercantile Exchange. The contract fell \$4.27, or 5 percent, to finish at \$84.44 per barrel in New York. It was the lowest price since July 10. (The Herald Leader – Nov. 8, 2012)

Somerset to develop energy hub

The city of Somerset has been approved for an \$8.5 million loan through the United States Department of Agriculture's Community Facilities Program to develop and construct a modernistic energy hub. "It was one of the largest projects approved at the close of the federal fiscal year ... they (USDA) liked the concept of the energy center ... the technology ... the potential for new jobs," said Somerset Mayor Eddie Girdler. Girdler said the computerized energy center, first of its kind in Kentucky, will monitor the city's vast natural gas pipe-line network. It also will include offices for a new city hall. The loan should be sufficient to build the energy hub and will be retired with natural gas revenues. No tax money will be involved, the mayor said. (Equities – Nov. 1, 2012)

To help mining engineering graduates find work, UK looks beyond coal

Coal's share of the nation's electricity is declining. But schools are still graduating mining engineers. The Bureau of Labor Statistics says the job outlook is growing at an average pace. And in Kentucky, there are more students studying mining engineering than ever before in the program's history. Why? The simple answer is that the department is placing less of an emphasis on coal. (WFPL – Nov. 6, 2012)

Net Zero's net worth: how renewable energy is rescuing schools from budget cuts

As the new Richardsville Elementary School rose from its foundations on a rural road north of Bowling Green, Ky., fourth-grader Colton Hendrick was watching closely. He would climb to the top of the playground equipment across the street and watch construction crews hauling in bamboo flooring and solar panels. "He wants to be an architect some day," recalled Manesha Ford, elementary curriculum coordinator and leader of the school's energy team. "He would sit and draw, draw all the different aspects." (Yes! – Nov. 5, 2012)

Energy Expo provides education, entertainment

Energy – its efficient uses, its conservation and even its dangers, was the subject of the Madison County Energy Expo held Saturday at the Madison County Cooperative Extension Office in Richmond. The event, open free-of-charge to interested members of the public, included 18 booths staffed by organizations that provide energy-related products and services, ranging from Lowe's Home Improvement to the Kentucky Solar Partnership. Also represented were community organizations, including Madison County Extension Homemakers, the University of Kentucky College of Agriculture, ECU Sustainability, Home Energy Partners, the Richmond-Madison County Recycling Center, the Madison County Quilt Trail and others. Many of the exhibits offered giveaways, ranging from pens and pencils to foam light-switch and outlet-plug gaskets to increase energy efficiency. (The Richmond Register – Nov. 5, 2012)

Solar power helping homeowners melt high energy bills

Savvy consumers are now turning to solar energy to beat utility price spikes. Thanks to technological advances and attractive rebates, home solar-electric systems are more popular and affordable than ever. Last year, Americans installed 33 megawatts of residential solar systems, enough to power the equivalent of more than 41,000 homes. In Southern California, Cheryl and Robert Boland faced electrical bills that averaged \$300 a month and spiked to nearly \$600 during the dog days of summer. Then the Bolands installed solar panels on the roof of their Apple Valley home. "Now our utility bill averages about \$1.75 each month," said Cheryl Boland. (WOWK TV – Nov. 7, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	11/8/2012	11/1/2012	10/25/2012	10/18/2012	Year Ago
Gasoline (State avg.)	3.358	3.363	3.447	3.622	3.357
Ashland	3.37	3.307	3.462	3.66	3.441
Covington	3.453	3.411	3.447	3.627	3.352
Lexington	3.442	3.391	3.358	3.566	3.38
Louisville	3.288	3.381	3.515	3.662	3.337
Owensboro	3.278	3.332	3.383	3.531	3.165
Diesel (State avg.)	3.961	3.972	4.061	4.056	3.867
Ashland	3.972	3.981	4.001	4.082	3.893
Covington	3.947	3.978	4.003	4.054	3.862
Lexington	3.968	3.967	4.004	4.066	3.879
Louisville	3.988	3.999	4.024	4.054	3.866
Owensboro	3.989	4.001	4.058	4.055	3.842

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	11/5/2012	10/29/2012	10/22/2012	10/15/2012	Year Ago
Heating Oil (dollars per gallon)	3.651	3.658	3.753	3.755	3.471
Propane (dollars per gallon)	2.04	2.03	1.996	2.014	2.561

Source: U.S. Energy Information Administration

Wholesale Fuel Prices

Spot Prices	11/7/2012	10/31/2012	10/24/2012	10/17/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	84.44	86.24	85.73	92.12	95.74
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.473	3.49	3.428	3.268	3.509

Source: the Wall Street Journal

Futures		12-Dec	13-Jan	13-Feb
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	11/7/2012	84.44	84.91	85.51
	10/31/2012	86.24	86.73	87.28
	10/24/2012	85.73	86.29	86.84
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	11/7/2012	3.578	3.714	3.72
	10/31/2012	3.692	3.82	3.827
	10/24/2012	3.776	3.9	3.91
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	11/7/2012	0.938	0.95	0.95
	10/31/2012	1.001	1.011	1.01
	10/24/2012	0.977	0.988	0.986
Coal (Dollars per ton) <i>Central Appalachian</i>	11/7/2012	59.65	60.75	61.91
	10/31/2012	59.55	60.98	60.98
	10/24/2012	59.7	62.03	62.03

Source: CME Group

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.

