

# Kentucky Department for Energy Development and Independence Energy Watch

*A snapshot of state and national energy issues*



## ***Kentucky legislators seeking eminent domain protections for landowners in pipeline path***

Two Kentucky lawmakers have pre-filed bills for next year's General Assembly that they say would help protect property owners from having their land seized for the proposed Bluegrass Pipeline. Republican State Sen. Jimmy Higdon of Lebanon and Republican Rep. David Floyd of Bardstown pre-filed measures Thursday specifying that developers of oil and gas pipeline projects would be eligible to condemn land only if they are regulated by the Public Service Commission. Floyd said in a prepared statement that while he supports business and industry, the rights of landowners must be preserved. (WDRB.com – Oct. 10, 2013)

## ***PSC gives Kentucky Power OK to buy electricity from wood-burning ecoPower plant in Hazard***

The Kentucky Public Service Commission (PSC) approved a 20-year contract that allows Kentucky Power Co. to purchase electricity generated by a biomass-fueled plant near Hazard. Although the biomass power is more expensive than electricity from other sources, the PSC noted in an order issued today that a law enacted by the Kentucky General Assembly earlier this year, KRS 278.271, directed the PSC to consider factors other than cost in any case in which a utility seeks to purchase power from "a biomass energy facility that has (been approved by) the Kentucky State Board on Electric Generation and Transmission Siting" (Siting Board). The PSC historically has applied a least-cost test to proposals to produce or purchase power. (The Lane Report – Oct. 10, 2013)

## ***PSC decision on Big Sandy Plant 'devastating'***

Ratepayers in 20 eastern Kentucky counties will see slower increases in electrical rates after the Public Service Commission Monday approved a request by Kentucky Power to purchase half interest in a West Virginia power plant while closing its Big Sandy unit at Louisa. But Lawrence County and the Lawrence County Schools will lose nearly \$1 million in property taxes and the region is likely to see more coal-related jobs losses. Under the conditional agreement, Kentucky Power may now buy half-interest in Ohio Power Company's Mitchell Power Plant just south of Moundsville, W.Va. Both companies are subsidiaries of American Electric Power. (The Independent – Oct. 7, 2013)

## ***Rogers calls for hearing in Appalachia on new EPA power-plant rules***

Coal-state representatives want federal environmental regulators to come to their states for public comments on tougher power-plant emissions. U.S. Rep. Harold "Hal" Rogers said he co-sponsored a resolution asking the U.S. Environmental Protection Agency to hold "listening sessions" on the rules in the 10 states that get the highest percentage of their electricity from power plants that burn coal. Those are Kentucky, Indiana, Missouri, Nebraska, New Mexico, North Dakota, Ohio, West Virginia, Utah and Wyoming, Rogers said in a news release. Kentucky gets more than 90 percent of its electricity from coal-fired plants. EPA plans to put out rules next year which limit carbon-dioxide emissions from existing power plants. Such emissions are a major factor in global climate change because they trap heat in the atmosphere, scientists say. The EPA has scheduled a series of 11 meetings to take public comment on the issue, but none are in the top coal-burning states, Rogers said. (RenewablesBiz – Oct. 6, 2013)

## ***October 2013 Energy Awareness Month***

Kentucky Housing Corporation highlighted the advantages of home energy improvements in one of the session tracks on the first day of its Oct. 9-10 Kentucky Affordable Housing Conference in Lexington to coincide with Gov. Steve Beshear proclaiming October as "Energy Awareness Month in Kentucky." Lt. Gov. Jerry Abramson presented the proclamation as part of his presentation during the opening session of the conference. "Issues of energy, the environment and the economy are intertwined in the challenges for quality education, jobs, the health of our citizens and a competitive workforce," said Lt. Gov. Abramson. (KY Housing Corp. - Oct. 9, 2013)

## ***US EIA sees consumers paying more for winter natural gas, propane***

The U.S. Energy Information Administration on Tuesday said U.S. household expenditures for natural gas and propane would increase this winter heating season compared to last year, while costs for heating oil would slip. In the agency's Winter Fuels Outlook, the EIA said the average household would spend 13 percent, or \$80, more for natural gas, and 9 percent, or \$120, more for propane. Households that use heating oil, however, will pay 2 percent, or \$46, less for the Oct. 1 to March 31 period. EIA said about half of U.S. households use natural gas as their primary heating fuel. Reliance on heating oil is highest in the Northeast, where temperatures are forecast to be 3 percent colder than last winter, the agency said. New York State, which accounts for about one-third of the region's heating oil market, has required the use of ultra-low sulfur heating oil since July 2012. (Reuters - Oct. 8, 2013)

## ***Oil futures end higher as traders look to supplies***

Oil futures ended higher Tuesday, with a slip in China's monthly services activity and the International Monetary Fund's reduction to the world economic growth outlook keeping a cap on any gains. Traders also looked ahead to this week's updates on U.S. petroleum supplies. A recent uptick in violence in the Middle East renewed concerns over oil supplies from the region, while a cool down in parts of the U.S. reminded traders that the coming winter weather will soon draw down heating fuel supplies. Crude for November delivery CLX3 +1.51% rose 46 cents, or 0.5%, to settle at \$103.49 a barrel on the New York Mercantile Exchange after briefly hitting a high above \$104. (Market Watch – Oct. 8, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	10/10/2013	10/3/2013	9/26/2013	9/19/2013	Year Ago
<b>Gasoline (State avg.)</b>	\$ 3.35	\$ 3.29	\$ 3.36	\$ 3.40	\$ 3.74
Ashland	\$ 3.31	\$ 3.31	\$ 3.40	\$ 3.49	\$ 3.81
Covington	\$ 3.46	\$ 3.48	\$ 3.54	\$ 3.56	\$ 3.76
Lexington	\$ 3.41	\$ 3.25	\$ 3.34	\$ 3.34	\$ 3.74
Louisville	\$ 3.31	\$ 3.31	\$ 3.44	\$ 3.56	\$ 3.57
Owensboro	\$ 3.15	\$ 3.20	\$ 3.22	\$ 3.30	\$ 3.64
<b>Diesel (State avg.)</b>	\$ 3.91	\$ 3.92	\$ 3.93	\$ 3.95	\$ 4.03
Ashland	\$ 3.94	\$ 3.94	\$ 3.97	\$ 3.99	\$ 4.08
Covington	\$ 3.93	\$ 3.92	\$ 3.93	\$ 3.95	\$ 4.04
Lexington	\$ 3.92	\$ 3.93	\$ 3.96	\$ 3.96	\$ 4.05
Louisville	\$ 3.88	\$ 3.88	\$ 3.90	\$ 3.91	\$ 3.98
Owensboro	\$ 3.92	\$ 3.91	\$ 3.93	\$ 3.95	\$ 4.05

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,

Spot Prices	10/9/2013	10/2/2013	9/25/2013	9/18/2013	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 103.12	\$ 103.54	\$ 102.88	\$ 106.75	\$ 92.19
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.70	\$ 3.61	\$ 3.52	\$ 3.72	\$ 3.23

Source: the Wall Street Journal

Futures		November 2013	December 2013	January 2013
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/9/2013	\$ 101.61	\$ 101.43	\$ 100.97
	10/2/2013	\$ 104.10	\$ 103.64	\$ 102.77
	9/25/2013	\$ 104.67	\$ 102.66	\$ 105.05
MMBtu <i>Henry-Hub</i>	10/9/2013	\$ 3.67	\$ 3.83	\$ 3.94
	10/2/2013	\$ 3.54	\$ 3.70	\$ 3.80
	9/25/2013	\$ 3.49	\$ 3.55	\$ 3.72
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	10/9/2013	\$ 1.09	\$ 1.09	\$ 1.09
	10/2/2013	\$ 1.08	\$ 1.08	\$ 1.09
	9/25/2013	\$ 1.03	\$ 1.03	\$ 1.03
Coal (Dollars per ton) <i>Central Appalachian</i>	10/9/2013	\$ 53.69	\$ 53.78	\$ 55.00
	10/2/2013	\$ 52.70	\$ 52.81	\$ 54.58
	9/25/2013	\$ 53.74	\$ 53.22	\$ 53.26

Source: CME Group



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