

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues

## **Lawmakers disagree about climate change**

Kentucky lawmakers Tuesday expressed deep reservations about President Barack Obama's new climate action plan, which targets coal, with some denying humans play a role in global warming. "Climate is always going to change," said Rep. Stan Lee, R-Lexington. "We are not in control of this world. Anybody in this room who thinks we are is just kidding their selves. "There is one that is in control but it isn't any of us. To think we can change what He created is shortsighted and foolish." (The Courier Journal, July 10, 2013)

## **Duke Energy works to lessen impact of power plant on environment, educate community**

Since the plant opened in the spring of 1981, Duke Energy-East Bend Generating Station in Union has generated more than 100 million megawatt hours of power – about 600 megawatts an hour of electricity. The plant is situated on 1,800 acres on the Ohio River and has 100 employees. As an environmental leader for the state, this KY EXCEL member has undertaken multiple projects. After an area of land near the river had to be cut down because of a stormwater issue, the field would have had to be reseeded and planted, so wildflowers and native grasses were chosen to sow. (Kentucky Forward, July 5, 2013)

## **Kentucky Power files settlement agreement**

Kentucky Power has filed a stipulation and settlement agreement with the Kentucky Public Service Commission which, if approved, would authorize the transfer of 50 percent of the ownership of two power generating units from AEP Ohio's Mitchell Power Plant near Moundsville, W.Va., to Kentucky Power effective Dec. 31. The agreement has been accepted by two of three groups intervening in the asset transfer case Kentucky Power filed with the Commission in December. (www.dailyindependent.com July 3, 2013)

## **PSC Approves Rate Redesign For Fleming-Mason Energy**

According to a press release, The Kentucky Public Service Commission (PSC) has approved a request by Fleming-Mason Energy Cooperative to alter its rate structure to more accurately reflect the cost of serving its residential and small power customers and large industrial customers. In approving the rates, the PSC said it agreed with Fleming-Mason Energy that the "restructuring will allow the distribution cooperative to maintain financial stability while stepping up efforts to encourage its customers to reduce energy usage." The PSC also approved a request by Fleming-Mason Energy to offer optional rates that are designed to promote energy efficiency. (www.lex18.com July 2, 2013)

## **Oil pipeline said to be on schedule**

Construction of a section of crude oil pipeline across 17 miles of Rowan County is on schedule, according to Brandon Daniels, communications manager for Marathon Petroleum Company (MPC). The project is part of MPC's planned maintenance on the pipeline with crews replacing various sections of old piping. Initial construction on the project began in April with crews clearing areas where pipeline is located. Crews from Price Gregory International, Inc. of Houston, Texas, began laying new sections of pipe in early June. At this point about 1.5 miles of pipeline has been replaced. (The Morehead News, July 5, 2013)

## **Moniz addresses loan guarantee, but not USEC's**

The new Secretary of the U.S. Department of Energy spoke about a loan guarantee program during a press call Tuesday afternoon. However, that loan guarantee program had nothing to do with the program USEC Inc. is seeking for the American Centrifuge Project at Piketon. Ernest Moniz announced "a key step forward," in President Obama's climate strategy. The call dealt with the Energy Department's draft solicitation for advanced fossil energy projects under its original 1703 loan guarantee program. (Portsmouth-dailytimes.com July 2, 2013)

## **Ky. Energy Secretary Hopeful for a Good Start on PGDP Deactivation This Year**

After meeting Monday with new U.S. Department of Energy Secretary Ernest Moniz, Kentucky Energy and Environment Cabinet Secretary Len Peters said he is hopeful for a good start on deactivation of the Paducah Gaseous Diffusion Plant this year, with decontamination beginning in fiscal year 2015. (www.wkms.org July 9, 2013)

## **Utility seeks PSC approval of 8-percent rate hike**

One week after filing a request for a 31-percent rate increase with the state Public Service Commission in what company officials described as a backup plan, Kentucky Power is seeking to hammer through its original plan for an 8 percent hike, despite some powerful opposition. The utility filed proposed settlement agreement with the PSC on Tuesday, seeking approval of a plan to transfer half of AEP Ohio's Mitchell Power Plant, in Moundsville, W.Va., to Kentucky Power, to replace the power generation of the Big Sandy Power Plant Unit 2 generator, which is slated for closure in 2015. (www.floydcountytimes.com July 3, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	7/11/2013	7/3/2013	6/27/2013	6/20/2013	Year Ago
<b>Gasoline (State avg.)</b>	\$ 3.47	\$ 3.37	\$ 3.42	\$ 3.54	\$ 3.32
Ashland	\$ 3.39	\$ 3.32	\$ 3.34	\$ 3.44	\$ 3.24
Covington	\$ 3.56	\$ 3.51	\$ 3.62	\$ 3.79	\$ 3.56
Lexington	\$ 3.52	\$ 3.33	\$ 3.33	\$ 3.46	\$ 3.26
Louisville	\$ 3.56	\$ 3.43	\$ 3.56	\$ 3.71	\$ 3.41
Owensboro	\$ 3.46	\$ 3.50	\$ 3.59	\$ 3.68	\$ 3.24
<b>Diesel (State avg.)</b>	\$ 3.83	\$ 3.82	\$ 3.85	\$ 3.87	\$ 3.62
Ashland	\$ 3.83	\$ 3.82	\$ 3.87	\$ 3.88	\$ 3.63
Covington	\$ 3.88	\$ 3.83	\$ 3.87	\$ 3.91	\$ 3.65
Lexington	\$ 3.84	\$ 3.84	\$ 3.86	\$ 3.89	\$ 3.60
Louisville	\$ 3.81	\$ 3.82	\$ 3.84	\$ 3.86	\$ 3.64
Owensboro	\$ 3.88	\$ 3.89	\$ 3.93	\$ 3.96	\$ 3.68

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	7/10/2013	7/2/2013	6/26/2013	6/19/2013	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 106.52	\$ 99.60	\$ 95.50	\$ 98.24	\$ 85.81
MMBtu) <i>Henry-Hub</i>	\$ 3.70	\$ 3.57	\$ 3.73	\$ 3.94	\$ 2.74

Source: the Wall Street Journal

Futures		August 2013	Sept. 2013	Oct. 2013
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	7/10/2013	\$ 106.52	\$ 105.62	\$ 103.98
	7/2/2013	\$ 99.60	\$ 99.42	\$ 98.38
	6/26/2013	\$ 95.50	\$ 95.41	\$ 94.88
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	7/10/2013	\$ 3.68	\$ 3.68	\$ 3.70
	7/2/2013	\$ 3.65	\$ 3.65	\$ 3.67
	6/26/2013	\$ 3.74	\$ 3.73	\$ 3.75
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	7/10/2013	\$ 0.93	\$ 0.94	\$ 0.94
	7/2/2013	\$ 0.86	\$ 0.87	\$ 0.87
	6/26/2013	\$ 0.84	\$ 0.85	\$ 0.85
Coal (Dollars per ton) <i>Central Appalachian</i>	7/10/2013	\$ 54.82	\$ 54.87	\$ 55.17
	7/2/2013	\$ 54.93	\$ 55.22	\$ 55.70
	6/26/2013	\$ 54.48	\$ 54.52	\$ 54.97

Source: CME Group



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