

# Kentucky Department for Energy Development and Independence Energy Watch

*A snapshot of state and national energy issues*

## ***Natural Gas Futures Gain on Outlook for Eastern Cold Snap***

Natural gas futures rose for a third day in New York as forecasts showed below-normal temperatures that would stoke demand for the heating fuel. The weather may be colder than usual in the eastern half of the U.S. through Nov. 3, according to MDA Weather Services in Gaithersburg, Maryland. The low in New York on Nov. 2 may be 39 degrees Fahrenheit (4 Celsius), 6 less than average, data from AccuWeather Inc. show. ([www.bloomberg.com](http://www.bloomberg.com) October 30, 2014)

## ***A Home Energy Audit Now Cuts Heating Costs, Ice Dams Later***

We know what's coming. But with any luck, it won't be nearly as severe as last winter. Still, our drop in temperatures should be a sign of action we can take now to help save heating dollars in the months ahead. Never before have homeowners had more tools and technology to check their homes for heating problems and poor insulation. Both deficiencies will contribute to costly heating bills and the formation of ice dams. Scott Koltes is taking action now. His century-old home was updated 30 years ago. Still, he knows that his house could be more energy efficient. (<http://minnesota.cbslocal.com> October 29, 2014)

## ***KY energy officials recommend filling propane tanks early***

While the winter is still about two months away, the Kentucky Energy and Environment Cabinet recommends to stock up on propane now rather than later. Pepper Hardy of Hardy Gas company in Irving has urged his customers since the summer to have their tanks full for winter. "First frost or the first cold spell we really get swamped," says Hardy. "So it's best to have everyone we can filled up." Hardy says the price of propane has already gone up by about 30 cents since the summer. ([www.wkyt.com](http://www.wkyt.com) October 28, 2014)

## ***Natural gas production soars in north W.Va.***

Natural gas production in West Virginia's Northern Panhandle has soared as drilling has increased in the Marcellus and Utica shales. The Intelligencer and Wheeling News-Register (<http://bit.ly/1w8phJ1>) reports that state data show natural gas production in Ohio County jumped from 84,000 cubic feet in 2011 to 22.6 billion cubic feet in 2013. Wetzel County's production jumped from 9.6 billion cubic feet in 2009 to 114.7 billion cubic feet in 2013. Natural gas production in Brooke County rose from 1.4 million cubic feet in 2012 to 8 billion cubic feet in 2013. There was no natural gas production in the county from 2009 to 2011. ([www.register-herald.com](http://www.register-herald.com) October 27, 2014)

## ***Why Oil Prices Went Down So Far So Fast***

The reasons oil prices started sliding in June were hiding in plain sight: growth in U.S. production, sputtering demand from Europe and China, Mideast violence that threatened to disrupt supplies and never did. After three-and-a-half months of slow decline, the tipping point for a steeper drop came on Oct. 1, said Ray Carbone, president of broker Paramount Options Inc. That's when Saudi Arabia cut prices for its biggest customers. The move signaled that the world's largest exporter would rather defend its market share than prop up prices. ([www.bloomberg.com](http://www.bloomberg.com) October 30, 2014)

## ***Advocates keeping close watch on Ohio energy committee***

Upcoming meetings of Ohio's Energy Mandates Study Committee will be open to the public, but the extent to which the public will have a voice in the proceedings remains to be seen. The committee was established by Senate Bill 310, which temporarily freezes and substantially modifies the state's renewable energy and efficiency standards. It is tasked with studying the results of those laws and making recommendations for future energy policy. Various reports document economic benefits from the standards and show their popularity with Ohioans. Nonetheless, critics note that the Ohio legislature disregarded much of that evidence when it passed SB 310 earlier this year. ([www.midwestenergynews.com](http://www.midwestenergynews.com) October 30, 2014)

## ***Feds asked to start review of WV-VA pipeline***

Developers of a proposed interstate natural gas pipeline have moved to begin a federal review of the project. Mountain Valley Pipeline LLC asked the Federal Energy Regulatory Commission this week to initiate the agency's pre-filing process. The process is designed to engage stakeholders, including landowners as well as local, state and federal agencies, to "identify and resolve issues before the formal filing of an application with the commission," FERC spokeswoman Tamara Young-Allen told The Roanoke Times (<http://bit.ly/1FVeHta>). ([www.statejournal.com](http://www.statejournal.com) October 29 2014)

## ***SunCoke proposes plant in Greenup***

SunCoke Energy South Shore LLC has filed an application with Kentucky officials to build an electric generating plant in conjunction with a coke plant on about 250 acres along the Ohio River. The Independent (<http://bit.ly/105ZuEk>) reports the proposed plant in northeastern Kentucky would use the coke-making process to generate up to 90 megawatts of electricity that would be sold on the open, wholesale market. The Kentucky State Board on Electric Generation and Transmission Siting has begun reviewing the application to consider issues such as noise and economic impacts. ([www.pantagraph.com](http://www.pantagraph.com) October 30, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	10/31/2014	10/23/2014	10/16/2014	10/9/2014	Year Ago
<b>Gasoline (State avg.)</b>	\$ 2.94	\$ 3.08	\$ 3.16	\$ 3.22	\$ 3.31
Ashland	\$ 3.02	\$ 3.15	\$ 3.19	\$ 3.32	\$ 3.31
Covington	\$ 3.14	\$ 3.15	\$ 3.27	\$ 3.38	\$ 3.40
Lexington	\$ 2.97	\$ 3.03	\$ 3.00	\$ 3.18	\$ 3.38
Louisville	\$ 2.99	\$ 3.22	\$ 3.15	\$ 3.27	\$ 3.30
Owensboro	\$ 2.82	\$ 2.89	\$ 2.89	\$ 3.02	\$ 3.23
<b>Diesel (State avg.)</b>	\$ 3.58	\$ 3.63	\$ 3.66	\$ 3.67	\$ 3.90
Ashland	\$ 3.54	\$ 3.55	\$ 3.54	\$ 3.58	\$ 3.93
Covington	\$ 3.62	\$ 3.62	\$ 3.64	\$ 3.70	\$ 3.93
Lexington	\$ 3.58	\$ 3.60	\$ 3.61	\$ 3.65	\$ 3.90
Louisville	\$ 3.63	\$ 3.65	\$ 3.66	\$ 3.69	\$ 3.85
Owensboro	\$ 3.57	\$ 3.60	\$ 3.63	\$ 3.70	\$ 3.91

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	10/27/2014	10/20/2014	10/13/2014	Year Ago
Heating Oil (dollars per gallon)	\$ 3.23	\$ 3.30	\$ 3.31	\$ 3.52
Propane (dollars per gallon)	\$ 2.18	\$ 2.20	\$ 2.18	\$ 2.15

[http://www.eia.gov/dnav/pet/pet\\_pri\\_wfr\\_dcus\\_SKY\\_w.htm](http://www.eia.gov/dnav/pet/pet_pri_wfr_dcus_SKY_w.htm)

Spot Prices	10/27/2014	10/22/2014	10/14/2014	10/6/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 81.26	\$ 82.76	\$ 81.72	\$ 90.33	\$ 96.29
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.56	\$ 3.69	\$ 3.89	\$ 3.89	\$ 3.69

Source: the Wall Street Journal

Futures		December 2014	January 2015	February 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/30/2014	\$ 81.12	\$ 80.90	\$ 80.75
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	10/30/2014	\$ 3.83	\$ 3.91	\$ 3.90
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	10/30/2014	\$ 0.91	\$ 0.92	\$ 0.91
Coal (Dollars per ton) <i>Central Appalachian</i>	10/30/2014	\$ 53.25	\$ 53.72	\$ 54.34

Source: CME Group

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