

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Rates increase 8.9%

Atmos Energy customers' bills are going up, but that increase might not last after the Kentucky Public Service Commission rules on the case. Atmos said Monday that it increased customers' bills 8.9 percent Friday, which amounts to about an extra \$4.50 per month for a residential customer. Atmos submitted its proposed increase to the PSC in May. (www.bgdailynews.com Jan. 28, 2014)

Polar Vortex - Nuclear Saves The Day

It's all about diversity. Whether in biology, in culture, in training, or in technology, when conditions change a system survives if there is sufficient diversity to adapt. Otherwise it dies. And things always change. This is no less true for electricity production. Having a diverse energy mix is key to a society surviving changes in demographics, government, geologic processes and natural disasters, supply disruption during war, and extreme weather changes. (www.forbes.com Jan. 12, 2014)

Gov. Beshear, AG Conway Working to Ensure Expedited Propane Delivery during Cold Weather

Governor Steve Beshear and Attorney General Jack Conway are working to ensure the transportation and delivery of propane to residential and commercial customers during the persistent cold weather across the state. Gov. Beshear will continue to waive federal requirements on propane suppliers in order to expedite the transporting of fuel. General Conway's office is working with propane marketers and consumers to ensure fuel delivery during high demands. (<http://migration.kentucky.gov> Jan. 28, 2014)

TVA power usage hitting near record high from cold weather

Just five days after setting a new winter peak for power demand in the Tennessee Valley, TVA reached its second highest power demand ever during the winter this morning shortly after 7 a.m., when temperatures across the 7-state region averaged only 6 degrees Fahrenheit. To cope with the Arctic cold and snow, electric furnaces, heaters and heat pumps pushed power demand from TVA up to 32,768 megawatts, just shy of the winter peak set last Friday at 33,353 megawatts when temperatures averaged 7 degrees. (www.columbiadailyherald.com Jan. 29, 2014)

Turning up the heat: Why Kentucky Power Co. says double check your bill

The bitter cold means many folks will be turning up the heat, which could mean more money out of your pocket to pay the electric bill. Some say it is harder than ever to afford to stay warm. Even Letcher County District Five Magistrate Wayne Fleming said he cannot afford to pay his bill after a shocking increase. "My power bill went up \$400 to \$600 a month and the next power bill will be quite a bit more," said Fleming. (www.wkyt.com Jan. 24, 2014)

TVA Nuclear Unit in Home Stretch

Unit 2 of the Watts Bar Nuclear Generating Station west of Knoxville, Tenn., is about 82 percent complete and on track to meet its \$4 billion budget, TVA officials said in a Jan. 16 progress report. The 1,100-megawatt facility would be the first commercial reactor to come on-line in the United States since Watts Bar Unit 1 started producing electricity in 1996. TVA said it hopes to have Unit 2 licensed by federal regulators by the end of 2015. (www.ect.coop Jan. 27, 2014)

Frozen Northeast Getting Gouged by Natural Gas Prices

As temperatures plunge anew into single digits across much of the U.S. Northeast, natural gas prices have been going in the opposite direction. On Jan. 22, thermostats in New York City bottomed out at 7 degrees, a day after the price to deliver natural gas into the city spiked to a record \$120 per million British Thermal Units in the spot market on the outskirts of town. That's about 30 times more expensive than what the equivalent amount of gas cost a hundred miles away in Pennsylvania's Marcellus Shale, the biggest natural gas field in the U.S. and home to some of the lowest gas prices in the world. And you thought this was the age of cheap energy. (www.businessweek.com Jan. 27, 2014)

Attorney General Conway Files Complaint against Propane Provider

Attorney General Jack Conway today filed a complaint in Franklin Circuit Court against a Kentucky propane gas provider for alleged violations of the Kentucky Consumer Protection Act. It also sought, and was granted, a restraining order to allow customers of United Propane Gas, Inc. (UPG) and its 23 subsidiaries to secure propane from another supplier without a written release from UPG until February 3, 2014. A written release by a tank owner/supplier is normally required by Kentucky law before another supplier is allowed to fill the tank. The court's restraining order suspends that requirement in this instance. (<http://migration.kentucky.gov> Jan. 28, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	1/30/2014	1/23/2014	1/16/2014	1/9/2014	Year Ago
Gasoline (State avg.)	\$ 3.23	\$ 3.29	\$ 3.28	\$ 3.28	\$ 3.36
Ashland	\$ 3.32	\$ 3.36	\$ 3.26	\$ 3.31	\$ 3.53
Covington	\$ 3.26	\$ 3.34	\$ 3.33	\$ 3.30	\$ 3.42
Lexington	\$ 3.21	\$ 3.33	\$ 3.23	\$ 3.23	\$ 3.46
Louisville	\$ 3.22	\$ 3.31	\$ 3.35	\$ 3.30	\$ 3.17
Owensboro	\$ 3.18	\$ 3.19	\$ 3.19	\$ 3.23	\$ 3.30
Diesel (State avg.)	\$ 3.85	\$ 3.82	\$ 3.83	\$ 3.84	\$ 3.89
Ashland	\$ 3.94	\$ 3.90	\$ 3.91	\$ 3.91	\$ 3.94
Covington	\$ 3.83	\$ 3.82	\$ 3.83	\$ 3.86	\$ 3.86
Lexington	\$ 3.86	\$ 3.81	\$ 3.81	\$ 3.83	\$ 3.87
Louisville	\$ 3.84	\$ 3.81	\$ 3.81	\$ 3.82	\$ 3.85
Owensboro	\$ 3.86	\$ 3.87	\$ 3.86	\$ 3.87	\$ 3.97

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	1/27/2014	1/20/2014	1/13/2014	1/6/2014	Year Ago
Heating Oil (dollars per gallon)	\$ 3.54	\$ 3.51	\$ 3.47	\$ 3.48	\$ 3.54
Propane (dollars per gallon)	\$ 3.79	\$ 2.59	\$ 2.54	\$ 2.52	\$ 2.21

Spot Prices	1/29/2014	1/22/2014	1/15/2014	1/8/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 95.82	\$ 97.54	\$ 94.05	\$ 91.46	\$ 97.98
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 5.21	\$ 4.88	\$ 4.46	\$ 4.35	\$ 3.24

Source: the Wall Street Journal

Futures		March 2014	April 2014	May 2014
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	1/29/2014	\$ 97.36	\$ 96.88	\$ 96.19
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	1/29/2014	\$ 5.47	\$ 4.56	\$ 4.45
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	1/29/2014	\$ 1.27	\$ 1.14	\$ 1.12
Coal (Dollars per ton) <i>Central Appalachian</i>	1/29/2014	\$ 59.50	\$ 59.03	\$ 58.85

Source: CME Group



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