

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues



Indiana House votes to eliminate Daniels' clean-energy program

Indiana's flagship clean-energy program, launched by then-Gov. Mitch Daniels and hailed by environmentalists as a way to cut costs and clean the air, would be scrapped at the end of the year under a bill passed today by the House of Representatives. The House voted 69-26 to shut down the program that requires all electricity customers to pay a monthly fee to promote energy-efficiency programs. (www.indystar.com Feb. 26, 2014)

As smart-grid funding winds down, energy leaders assess progress

When an Arlington-based organization of power suppliers won a \$33.9 million federal grant to modernize the electrical grid, its chief scientist, Craig Miller, expected customers to resist having "smart" energy meters installed at their homes. The meters were designed to provide more data about energy consumption in real time, alerting utilities sooner of power outages, but they might also arouse concerns about data privacy and radiation, he thought. Miller, who works for the National Rural Electric Cooperative Association, found much less opposition than he expected. (www.washingtonpost.com Feb. 19, 2014)

Booth Energy Cuts 30 Jobs at Kentucky Mines

Booth Energy says it has cut jobs and reduced production at some of its surface mines in Kentucky. In a press release, the company says on February 7 it cut 30 surface mining positions and support staff due to the continued weakened Central Appalachia coal market. (www.wsaz.com Feb. 19, 2014)

Construction of Kentucky natural gas pipeline delayed until 2016

The construction of a planned natural gas pipeline in Kentucky has been delayed until 2016, The Associated Press reported. Alan Armstrong, president and chief executive officer of Williams Partners L.P. (NYSE:WPZ), announced the decision in the company's 2013 financial report. The natural gas processing and transportation firm said the Bluegrass Pipeline project was pushed back to mid-to late-2016 in order to accommodate producer needs. (www.pennenergy.com Feb. 20, 2014)

Natural Gas Price To Drop 12% For Columbia Gas Customers

Columbia Gas of Kentucky has received approval from the Kentucky Public Service Commission for its most recent Gas Cost Adjustment, the company said Tuesday. Effective Feb. 28, Columbia Gas of Kentucky's gas supply cost fell to \$5.6811 per Mcf (1,000 cubic feet), a 12.2 percent decrease. The company said new gas supply cost will remain in effect until the next scheduled Gas Cost Adjustment in June 2014. (www.lex18.com Feb. 25, 2014)

A \$400 gas bill? It's on its way.

Coming soon to mailboxes across the Midwest and the Eastern Seaboard: Big gas bills. Utilities are warning homeowners that they are about to get hit with a double whammy — higher natural gas prices and consumption, both of which have been driven to five-year peaks by the Arctic cold that gripped much of the country in recent weeks. Con Edison in New York estimated that the typical home-heating customer would see a gas bill this month of \$388, which would be nearly 17 percent above last February. (www.washingtonpost.com Feb. 24, 2014)

PSC Calls On Utilities to Work with Customers Facing Large Gas or Electric Bills - Urges flexibility after brutal winter cold leads to high heating costs

The Kentucky Public Service Commission (PSC) is calling on the state's electric and natural gas utilities to work with customers who are having difficulty paying extremely large heating bills in the wake of extremely cold weather this winter. In a letter sent to the chief executives of the utilities, the PSC asks that utilities "be as flexible as possible...in avoiding disconnections and in allowing customers to make arrangements to extend their payments." (http://migration.kentucky.gov Feb. 24, 2014)

Fossil fuels remain at the forefront, energy expert says

The use of wind, solar, and other renewable energy resources will increase significantly over the next few decades, but fossil fuels such as oil, coal, and natural gas likely will continue to dominate the energy mix and drive the global economy, said Daniel Yergin, one of the world's foremost energy experts. "It's a contest, or even a battleground," Yergin said in an interview this week. "Renewables will grow a lot, but they will still be, 20 years from now, a relatively small part of the overall mix." (www.bostonglobe.com Feb. 22, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	2/27/2014	2/20/2014	2/13/2014	2/6/2014	Year Ago
Gasoline (State avg.)	\$ 3.43	\$ 3.35	\$ 3.32	\$ 3.25	\$ 3.79
Ashland	\$ 3.58	\$ 3.44	\$ 3.43	\$ 3.29	\$ 3.81
Covington	\$ 3.51	\$ 3.39	\$ 3.35	\$ 3.29	\$ 3.84
Lexington	\$ 3.49	\$ 3.37	\$ 3.36	\$ 3.25	\$ 3.84
Louisville	\$ 3.42	\$ 3.33	\$ 3.29	\$ 3.25	\$ 3.78
Owensboro	\$ 3.37	\$ 3.38	\$ 3.24	\$ 3.17	\$ 3.65
Diesel (State avg.)	\$ 4.11	\$ 4.08	\$ 3.99	\$ 3.91	\$ 4.11
Ashland	\$ 4.16	\$ 4.15	\$ 4.07	\$ 3.97	\$ 4.13
Covington	\$ 4.23	\$ 4.21	\$ 4.04	\$ 3.95	\$ 4.10
Lexington	\$ 4.15	\$ 4.13	\$ 4.03	\$ 3.94	\$ 4.13
Louisville	\$ 4.15	\$ 4.10	\$ 4.00	\$ 3.91	\$ 4.13
Owensboro	\$ 4.11	\$ 4.02	\$ 3.95	\$ 3.90	\$ 4.12

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	2/24/2014	2/17/2014	2/10/2014	2/3/2014	Year Ago
Heating Oil (dollars per gallon)	\$ 3.84	\$ 3.79	\$ 3.75	\$ 3.65	\$ 3.78
Propane (dollars per gallon)	\$ 3.42	\$ 3.58	\$ 3.68	\$ 3.85	\$ 2.19

Spot Prices	2/26/2014	2/19/2014	2/12/2014	2/5/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 103.17	\$ 103.46	\$ 100.29	\$ 96.44	\$ 92.74
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 4.85	\$ 5.98	\$ 6.28	\$ 7.45	\$ 3.54

Source: the Wall Street Journal

Futures		April 2014	May 2014	June 2014
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	2/26/2014	\$ 102.59	\$ 101.77	\$ 100.77
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2/26/2014	\$ 4.54	\$ 4.46	\$ 4.48
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	2/26/2014	\$ 1.06	\$ 1.06	\$ 1.06
Coal (Dollars per ton) <i>Central Appalachian</i>	2/26/2014	\$ 63.75	\$ 63.60	\$ 63.45

Source: CME Group

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