

# Kentucky Department for Energy Development and Independence Energy Watch

*A snapshot of state and national energy issues*



## ***Average diesel retail price below gasoline price for first time in six years***

On July 13, the U.S. average diesel fuel retail price fell below the average regular gasoline retail price for the first time since the week of August 10, 2009. From August 2009 through June of this year, retail diesel fuel sold at an average premium of 34 cents per gallon (gal) over regular grade gasoline, with the difference reaching more than 90 cents/gal in January. ([www.eia.gov](http://www.eia.gov) July 23, 2015)

## ***House panel approves energy reform bill***

A House subcommittee unanimously passed legislation Wednesday aimed at modernizing energy infrastructure, improving energy efficiency and taking other steps toward updating energy policies. The bill is the first step in the House's efforts to pass a broad, bipartisan energy reform package, and lawmakers were hopeful that they could have controversial policy debates as part of consideration of the bill. (<http://thehill.com> July 22, 2015)

## ***Here's why ocean shipping companies are switching to natural gas***

The North American ocean carrier TOTE is deploying the world's first container ships fueled by liquefied natural gas (LNG). The move anticipates imminent environmental regulations that are likely to trigger large shifts in the maritime shipping industry. (<http://fortune.com> July 23, 2015)

## ***Mississippi Power files Kemper refund plan with regulators***

Some 300,000 past and present Mississippi Power customers will begin receiving their share of a \$353 million refund within the next three months. The power company filed a court-ordered plan Tuesday with the Mississippi Public Service Commission on how it will refund money billed to customers since 2013 to help fund the controversial Kemper Project integrated gasification power plant, now billions over budget and two years behind schedule. (<http://watchdog.org> July 22, 2015)

## ***Big Rivers to Sell Excess Power in Nebraska***

The Kentucky Public Service Commission approved a settlement that permits Big Rivers Electric Corp. to sell wholesale power to several customers in Nebraska. In an order issued Tuesday, the PSC said revenue from the contracts – although relatively modest – should help pay a portion of Big Rivers' fixed operating costs that would otherwise be borne by its Kentucky customers. ([www.westkentuckystar.com](http://www.westkentuckystar.com) July 21, 2015)

## ***Lloyds: Cyber attack on US power grid could cost \$1 trillion***

Lloyd's of London has issued a report aimed at informing the insurance industry as to the potential impacts of a widespread attack on the U.S. power grid, and finds the total economic loss could range from \$243 billion up to \$1 trillion in the most damaging scenarios. ([www.utilitydive.com](http://www.utilitydive.com) July 17, 2015)

## ***Coal Miners Struggle to Survive in an Industry Battered by Layoffs and Bankruptcy***

There is pain across the nation's coal fields, but here in West Virginia, the disruption is particularly acute. Mines are closing almost every month. Sawmills that provide wooden support beams for the tunnels are laying off workers, and diners are putting up signs asking their customers to pray for the miners. ([www.nytimes.com](http://www.nytimes.com) July 17, 2015)

## ***Kenergy's reserve fund running out, customer's bills to spike***

Kenergy customers could see an increase in their bills soon. They will be mailing a letter to commercial customers soon explaining how much their bills could go up and why. Some people may not know this, but Kenergy doesn't make electricity, they just distribute the electricity Big Rivers Electric Corporation makes. ([www.wave3.com](http://www.wave3.com) July 17, 2015)

## ***Cox Interior making its own energy***

Local wood manufacturer Cox Interior has used wood waste to help produce electricity - a process called bioenergy - for more than 20 years. Cox Interior, established in 1983, has used a biomass-fueled boiler/steam turbine, also called a CHP (combined heat and power system), to generate heat and electricity since 1994. (<http://m.cknj.com> July 13, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	7/23/2015	7/15/2015	7/10/2015	7/2/2015	Year Ago
<b>Gasoline (State avg.)</b>	\$ 2.74	\$ 2.78	\$ 2.76	\$ 2.77	\$ 3.56
Ashland	\$ 2.60	\$ 2.71	\$ 2.72	\$ 2.74	\$ 3.52
Covington	\$ 2.85	\$ 2.94	\$ 2.85	\$ 2.88	\$ 3.69
Lexington	\$ 2.53	\$ 2.70	\$ 2.58	\$ 2.70	\$ 3.37
Louisville	\$ 2.64	\$ 2.85	\$ 2.81	\$ 2.84	\$ 3.68
Owensboro	\$ 2.48	\$ 2.56	\$ 2.60	\$ 2.68	\$ 3.37
<b>Diesel (State avg.)</b>	\$ 2.79	\$ 2.82	\$ 2.83	\$ 2.84	\$ 3.86
Ashland	\$ 2.68	\$ 2.70	\$ 2.73	\$ 2.75	\$ 3.74
Covington	\$ 2.70	\$ 2.74	\$ 2.73	\$ 2.75	\$ 3.83
Lexington	\$ 2.71	\$ 2.73	\$ 2.75	\$ 2.76	\$ 3.84
Louisville	\$ 2.67	\$ 2.69	\$ 2.70	\$ 2.72	\$ 3.84
Owensboro	\$ 2.64	\$ 2.70	\$ 2.70	\$ 2.71	\$ 3.86

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	7/20/2015	7/13/2015	7/6/2015	6/30/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 50.11	\$ 52.19	\$ 52.48	\$ 58.34	\$ 103.81
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.88	\$ 2.88	\$ 2.79	\$ 2.77	\$ 4.08
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 54.90	\$ 54.90	\$ 54.80	\$ 53.75	\$ 57.25
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 34.35	\$ 34.35	\$ 40.85	\$ 40.45	\$ 44.00

Sources: <http://www.infomine.com/investment/metal-prices/coal/1-year> [http://ycharts.com/indicators/natural\\_gas\\_spot\\_price](http://ycharts.com/indicators/natural_gas_spot_price) <https://www.quandl.com/data/DOE/COAL-US-Coal-Prices-by-Region> <http://markets.ft.com/research/Markets/>

Futures		August 2015	September 2015	October 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	7/22/2015	\$ 50.36	\$ 49.19	\$ 49.67
	7/14/2015	\$ 53.04	\$ 53.48	\$ 53.88
	7/9/2015	\$ 52.78	\$ 53.23	\$ 53.60
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	7/22/2015	\$ 2.90	\$ 2.91	\$ 2.94
	7/14/2015	\$ 2.84	\$ 2.84	\$ 2.87
	7/9/2015	\$ 2.73	\$ 2.74	\$ 2.77
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	7/22/2015	\$ 0.43	\$ 0.45	\$ 0.46
	7/14/2015	\$ 0.43	\$ 0.45	\$ 0.46
	7/9/2015	\$ 0.44	\$ 0.46	\$ 0.47

Source: CME Group



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