

PSC Issues Management Audit of Big Rivers Electric Corp.

Big Rivers Electric Corp. will need to move more aggressively in coming years to mitigate the loss of its two largest customers, according to an independent review released today by the Kentucky Public Service Commission. Big Rivers is relying on assumptions that may be overly optimistic and should give more consideration to measures such as selling off power plants that are no longer needed to serve the remaining customers, the review said. (<http://surfky.com> October 6, 2015)

Gas power passes coal for the second time ever

The amount of electricity generated from natural gas in the United States surpassed the share of coal-fired production in July for the second time. The U.S. Energy Information Administration reported Wednesday that the share of electricity coming from natural gas-fired power plants hit 35 percent in July. It was 34.9 percent from coal plants. Natural gas first edged coal out as a power generation fuel in April, according to the Energy Department agency. (<http://fuelfix.com> October 8, 2015)

Energy Department Predicts Lower Winter Fuel Bills

After a summer of lower gasoline prices, American consumers will again spend considerably less on energy this winter because of lower oil and natural gas prices and expected warmer weather, the Energy Department projected on Tuesday. The nearly half of American households that are heated with natural gas can expect a decline of 10 percent in their gas spending, the agency said. (www.nytimes.com October 7, 2015)

Outside Forces Shape European Energy

The European Union is struggling to create what it calls its “energy union.” This is largely a refinement of existing policies aimed at improving energy security, accelerating the shift to a low-carbon economy and, on a political level, showing that the 28 European Union member states can pull off a new integration project at a time when they are deeply divided on monetary and immigration policy. Much of it, therefore, is inward-looking. (www.nytimes.com October 7, 2015)

Things can't get worse for coal after disastrous 2015

Here's some good news for a downtrodden U.S. coal industry: Next year can't get much worse after a disastrous 2015. Most utilities that are able to switch to cleaner burning and cheaper natural gas have already done so, resulting in demand for coal declining 10 percent, or 80 million tons, BB&T Capital Markets said in a report Tuesday. President Barack Obama's Mercury and Air Toxics Standards, which were implemented this year, spurred a rash of coal-fired power plant closures. (www.sltrib.com October 7, 2015)

Solar Cheaper Than Natural Gas? It's Happening

The crossover everyone has been waiting for is underway. Under power purchase agreements signed this year, developers will deliver power from large utility-scale solar plants will be selling at below the price of electricity from natural gas by 2021, according to a new report from Lawrence Berkeley National Laboratory. (www.forbes.com October 5, 2015)

More Than 1,900 Layoffs Looming For Patriot Coal Workers In Boone, Kanawha

Patriot Coal expects to lay off more than 1,900 workers in Boone and Kanawha counties. Patriot issued layoff warning notices to the two counties this week. Kanawha County Commission President Kent Carper says 1,065 workers in his county will lose their jobs. The layoffs include 483 at Speed Mining LLC in Dawes, 288 at Wildcat Energy in Eskdale, 161 at Midland Trail Energy, 118 at Remington LLC in Eskdale and six at Little Creek Dock in Charleston. (www.wchstv.com October 6, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	10/8/2015	10/2/2015	9/24/2015	9/17/2015	Year Ago
Gasoline (State avg.)	\$ 2.31	\$ 2.29	\$ 2.29	\$ 2.30	\$ 3.27
Ashland	\$ 2.38	\$ 2.31	\$ 2.33	\$ 2.22	\$ 3.32
Covington	\$ 2.47	\$ 2.43	\$ 2.46	\$ 2.44	\$ 3.37
Lexington	\$ 2.36	\$ 2.29	\$ 2.41	\$ 2.20	\$ 3.21
Louisville	\$ 2.44	\$ 2.43	\$ 2.53	\$ 2.41	\$ 3.30
Owensboro	\$ 2.25	\$ 2.27	\$ 2.09	\$ 2.12	\$ 3.07
Diesel (State avg.)	\$ 2.51	\$ 2.49	\$ 2.50	\$ 2.52	\$ 3.71
Ashland	\$ 2.51	\$ 2.38	\$ 2.41	\$ 2.42	\$ 3.58
Covington	\$ 2.57	\$ 2.51	\$ 2.51	\$ 2.54	\$ 3.72
Lexington	\$ 2.56	\$ 2.54	\$ 2.55	\$ 2.56	\$ 3.65
Louisville	\$ 2.51	\$ 2.54	\$ 2.51	\$ 2.52	\$ 3.69
Owensboro	\$ 2.41	\$ 2.37	\$ 2.37	\$ 2.37	\$ 3.70

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	10/5/2015				Year Ago
Heating Oil (dollars per gallon)	\$ 2.22				\$ 3.31
Propane (dollars per gallon)	\$ 1.57				\$ 2.20

http://www.eia.gov/dnav/pet/pet_pri_wfr_dcus_SKY_w.htm

Spot Prices	10/5/2015	9/29/2015	9/21/2015	9/14/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 46.28	\$ 44.40	\$ 46.67	\$ 44.07	\$ 90.33
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.57	\$ 2.66	\$ 2.61	\$ 2.70	\$ 3.89
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 48.15	\$ 48.65	\$ 48.65	\$ 48.60	\$ 56.30
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 32.75	\$ 34.35	\$ 34.35	\$ 34.35	\$ 44.70

Sources: <http://www.infomine.com/investment/metal-prices/coal/1-year> 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/Tearsheets/Summary?s=1069936>

Futures		November 2015	December 2015	January 2016
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/7/2015	\$ 47.81	\$ 48.40	\$ 49.13
	10/1/2015	\$ 44.74	\$ 45.22	\$ 45.82
	9/24/2015	\$ 44.48	\$ 45.10	\$ 45.82
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	10/7/2015	\$ 2.47	\$ 2.68	\$ 2.81
	10/1/2015	\$ 2.43	\$ 2.63	\$ 2.76
	9/24/2015	\$ 2.64	\$ 2.79	\$ 2.91
Propane (Dollars per gallon) <i>Mt Behvieu (OPIS)</i>	10/7/2015	\$ 0.50	\$ 0.50	\$ 0.51
	10/1/2015	\$ 0.47	\$ 0.47	\$ 0.48
	9/24/2015	\$ 0.48	\$ 0.49	\$ 0.49

Source: http://www.cmegroup.com/daily_bulletin/current/Section61_Energy_Futures_Products.pdf

The Department for Energy Development and Independence does not discriminate on the basis of race, color, national origin, sex, age, religion or disability and provides, on request, reasonable accommodations including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternative format, call the Department for Energy Development and Independence at (800) 282-0868. Persons with hearing and speech impairments can contact the agency by using the Kentucky Relay Service, a toll-free telecommunication device for the deaf (TDD). For voice to TDD, call (800) 648-6057. For TDD to voice, call (800) 648-6056.

