

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

Natural gas costs will be much lower this winter

Kentucky residents who heat their homes with natural gas will see much lower prices at the start of the 2015-2016 heating season than they did a year ago, the Kentucky Public Service Commission (PSC) said today. Gas prices are down by more than a third from this time last year, and have fallen by more than two-thirds from the peak reached in 2008, the PSC said. (www.whas11.com October 27, 2015)

Methane Unit Equals Economic Development in Ky.

Farmers RECC will have its own local renewable energy source and help out a city when the Glasgow, Ky., landfill-gas-to-energy plant begins producing power later this year. The 1-megawatt power plant will be the sixth such landfill methane-fueled unit owned and operated by Winchester-based East Kentucky Power Cooperative, the power supplier owned by Farmers RECC and 15 other Kentucky co-ops. (www.ect.coop October 23, 2015)

Armstrong replaced as PSC top officer

Dave Armstrong, former mayor of Louisville and two-term Jefferson County judge-executive, has retired after serving seven years as chairman of the Kentucky Public Service Commission. Gov. Steve Beshear's office announced Friday that it has elevated PSC commissioner James W. Gardner, a Lexington attorney, to commission chairman. (www.courier-journal.com October 26, 2015)

Kenergy looks to increase rates by \$3.90/month

Kenergy customers could soon be paying roughly \$4 more per month. For the first time in four years, the utility company is looking to increase rates. According to CEO Jeff Hohn, Kenergy has increased infrastructure by roughly \$60 million over the last five or six years. (www.14news.com October 26, 2015)

Natural Gas Needs Bone-Chilling Winter to Avoid 1990s-Era Prices

The average price for natural gas in the U.S. this year is now the lowest since Bill Clinton was president. And a forecast for a warm winter ahead means there's no end in sight to the slump. Futures tumbled below \$2 per million British thermal units Tuesday amid mild weather and surging output from shale basins. (www.bloomberg.com October 27, 2015)

How super low natural gas prices are reshaping how we get our power

Oil isn't the only fossil fuel that is selling at quite cheap levels at the moment, at least in the United States. This week, U.S. natural gas prices plunged briefly below \$2 per million Btu (British thermal units), lower than they have been since early 2012. (www.washingtonpost.com October 28, 2015)

Tomblin will submit Clean Power Plan blueprint for WV

Gov. Earl Ray Tomblin intends to submit a plan for West Virginia to cut greenhouse gas emissions in compliance with the Obama administration's Clean Power Plan, bucking calls from state and national Republicans to ignore the environmental regulations. (www.wvgazette.com October 27, 2015)

Coal not coming back, Appalachian Power president says

Coal consumption is not likely to increase, regardless of whether new federal regulations on power plants go into effect, and, from coal's perspective, the national debate on coal and climate change has largely been lost, the president of West Virginia's largest electric utility told a roomful of energy executives Tuesday. (www.wvgazette.com October 27, 2015)

Study find value of solar power less than what TVA pays

The Tennessee Valley Authority, which has cut the premiums it pays for small-scale solar power in each of the past four years, could again trim what it pays customers who generate electricity from the sun next year based upon a new assessment of the value of solar power. (www.timesfreepress.com October 21, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	10/29/2015	10/22/2015	10/15/2015	10/8/2015	Year Ago
Gasoline (State avg.)	\$ 2.19	\$ 2.22	\$ 2.26	\$ 2.31	\$ 3.02
Ashland	\$ 2.18	\$ 2.28	\$ 2.38	\$ 2.38	\$ 3.05
Covington	\$ 2.30	\$ 2.42	\$ 2.50	\$ 2.47	\$ 3.15
Lexington	\$ 2.22	\$ 2.09	\$ 2.26	\$ 2.36	\$ 3.03
Louisville	\$ 2.24	\$ 2.20	\$ 2.36	\$ 2.44	\$ 3.04
Owensboro	\$ 1.98	\$ 2.06	\$ 2.22	\$ 2.25	\$ 2.86
Diesel (State avg.)	\$ 2.49	\$ 2.51	\$ 2.55	\$ 2.51	\$ 3.61
Ashland	\$ 2.54	\$ 2.57	\$ 2.63	\$ 2.51	\$ 3.54
Covington	\$ 2.64	\$ 2.69	\$ 2.67	\$ 2.57	\$ 3.61
Lexington	\$ 2.59	\$ 2.61	\$ 2.63	\$ 2.56	\$ 3.58
Louisville	\$ 2.58	\$ 2.59	\$ 2.61	\$ 2.51	\$ 3.64
Owensboro	\$ 2.45	\$ 2.52	\$ 2.50	\$ 2.41	\$ 3.58

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	10/26/2015	10/19/2015	10/12/2015	10/5/2015	Year Ago
Heating Oil (dollars per gallon)	\$ 2.16	\$ 2.27	\$ 2.33	\$ 2.22	\$ 3.26
Propane (dollars per gallon)	\$ 1.59	\$ 1.63	\$ 1.62	\$ 1.57	\$ 2.20

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

Spot Prices	10/26/2015	10/19/2015	10/12/2015	10/5/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 43.19	\$ 45.91	\$ 46.28	\$ 46.28	\$ 82.25
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.18	\$ 2.43	\$ 2.47	\$ 2.57	\$ 3.53
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 49.00	\$ 49.00	\$ 48.15	\$ 48.15	\$ 56.30
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 32.75	\$ 32.75	\$ 32.75	\$ 32.75	\$ 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		December 2015	January 2016	February 2016
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/28/2015	\$ 45.94	\$ 46.82	\$ 47.60
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	10/28/2015	\$ 2.46	\$ 2.49	\$ 2.47
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	10/28/2015	\$ 0.44	\$ 0.45	\$ 0.45

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

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