

Natural gas liquids not as shiny as they once were

Wet gas is a uniquely southwestern Marcellus Shale problem. Until recently, it was a uniquely southwestern Marcellus advantage, but then natural gas liquids began losing value and the cost to separate them from dry gas, or methane, began to obscure their promise. At least that's how EQT Corp.'s CEO David Porges explained it during a company earnings call last month. "What's usually called the liquids uplift," he said, "now we call it the liquids impact." (<http://powersource.post-gazette.com> February 24, 2015)

Obama vetoes Keystone XL pipeline, leaving it in limbo

President Barack Obama on Tuesday, as promised, swiftly vetoed a Republican bill approving the Keystone XL oil pipeline, leaving the long-debated project in limbo for another indefinite period. The U.S. Senate Majority Leader Mitch McConnell, after receiving Obama's veto message, immediately countered by announcing the Republican-led chamber would attempt to override it by March 3. (www.reuters.com February 24, 2015)

Kentucky Power appeals PSC decision about fuel costs

Kentucky Power has filed an appeal in Franklin Circuit Court challenging a decision by the Kentucky Public Service Commission that deemed about \$54 million in fuel costs as unreasonable. The appeal, filed last week, seeks to reverse the commission's order issued Jan. 22. In that order, the commission directed Kentucky Power to refund to customers \$13 million in fuel costs collected during the first four months of last year through the Fuel Adjustment Clause. (www.kentucky.com February 24, 2015)

Siting Board Approves Application for Greenup County Plant

The Kentucky State Board on Electric Generation and Transmission Siting has granted a construction certificate for an electric generating plant and associated electric transmission line at a planned coke plant in northern Greenup County. SunCoke Energy South Shore LLC, of Lisle, Ill., intends to construct a 90-megawatt plant in conjunction with a coke plant to be built on about 250 acres along the Ohio River 2 miles northeast of the city of South Shore. The site is currently in agricultural use, but is near other industrial facilities. (<http://surfkv.com> February 23, 2015)

Cold-related high energy use causes power outages in portions of Kentucky

Power outages hit various utilities and parts of Kentucky early Friday morning as temperatures dipped well below zero in many parts of the state and electrical consumption increased. A total of about 18,500 Kentucky Utilities customers lost power at various times, starting around 7 a.m., KU spokesman Cliff Feltham said. In Eastern Kentucky, about 5,000 Kentucky Power customers also lost electrical service. For Kentucky Utilities, problems were reported in a number of locations, including Fayette County and the Elizabethtown-Radcliff area of Hardin County, according to Feltham. (www.kentucky.com February 20, 2015)

WVU researchers look to boost coal production

While West Virginia coal producers have been battling production and employment declines throughout the last several years, researchers at West Virginia University have been figuring out what the state's government can do to incentivize Mountain State coal production. A January 2015 report, authored by WVU Bureau of Business Economic Research Director John Deskins and Research Associates Eric Bowen and Christiadi, considered various state-level policies that have the potential to boost coal production in West Virginia by incentivizing the state's utilities and manufacturers to use Mountain State-mined coal. (www.statejournal.com February 21, 2015)

OMU change in school billing 'catastrophic'

Rate changes adopted Thursday by Owensboro Municipal Utilities will cost Owensboro Public Schools an additional \$1 million a year after they're phased in over the next five years, Superintendent Nick Brake told his board on Thursday. (www.messenger-inquirer.com February 20, 2015)

City to drop OMU dividend

The annual cash dividend Owensboro Municipal Utilities pays to the city of Owensboro — currently \$6.4 million — will be eliminated, with that money being retained by OMU, and the city intends to increase both its occupational (payroll) tax and net profits tax on businesses to compensate for the major loss of revenue from the city-owned utility, Mayor Ron Payne said Wednesday. (www.messenger-inquirer.com February 19, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	2/26/2015	2/19/2015	2/12/2015	2/5/2015	Year Ago
Gasoline (State avg.)	\$ 2.34	\$ 2.27	\$ 2.23	\$ 2.15	\$ 3.43
Ashland	\$ 2.25	\$ 2.28	\$ 2.33	\$ 2.35	\$ 3.59
Covington	\$ 2.41	\$ 2.42	\$ 2.45	\$ 2.36	\$ 3.53
Lexington	\$ 2.22	\$ 2.32	\$ 2.45	\$ 2.35	\$ 3.51
Louisville	\$ 2.37	\$ 2.30	\$ 2.45	\$ 2.35	\$ 3.44
Owensboro	\$ 2.18	\$ 2.18	\$ 2.16	\$ 2.14	\$ 3.38
Diesel (State avg.)	\$ 2.89	\$ 2.85	\$ 2.81	\$ 2.80	\$ 4.00
Ashland	\$ 2.95	\$ 2.95	\$ 2.95	\$ 2.96	\$ 4.18
Covington	\$ 2.89	\$ 2.89	\$ 2.87	\$ 2.89	\$ 4.23
Lexington	\$ 2.91	\$ 2.92	\$ 2.89	\$ 2.93	\$ 4.15
Louisville	\$ 2.90	\$ 2.89	\$ 2.91	\$ 2.94	\$ 4.11
Owensboro	\$ 2.75	\$ 2.67	\$ 2.61	\$ 2.60	\$ 4.10

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	2/23/2015	2/16/2015	2/9/2015	2/2/2015	Year Ago
Heating Oil (dollars per gallon)	\$ 2.62	\$ 2.62	\$ 2.45	\$ 2.39	\$ 3.84
Propane (dollars per gallon)	\$ 2.15	\$ 2.13	\$ 2.15	\$ 2.18	\$ 3.42

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

Spot Prices	2/24/2015	2/18/2015	2/10/2015	2/4/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 49.56	\$ 53.56	\$ 52.99	\$ 49.25	\$ 102.88
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.22	\$ 2.75	\$ 2.62	\$ 2.88	\$ 6.24
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 53.06	\$ 53.06	\$ 53.06	\$ 53.06	\$ 63.00
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 40.32	\$ 45.32	\$ 45.32	\$ 45.32	\$ 46.65

Sources: <https://www.quandl.com/#/c/markets/coal> http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm http://ycharts.com/indicators/natural_gas_spot_price

Futures		April 2015	May 2015	June 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	2/25/2015	\$ 50.99	\$ 52.76	\$ 54.31
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2/25/2015	\$ 2.86	\$ 2.89	\$ 2.93
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	2/25/2015	\$ 0.61	\$ 0.61	\$ 0.61

Source: CME Group

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