

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Clarksville gas pipeline plan encounters resistance from Kentucky

Clarksville Gas & Water's \$6 million plan to bring another natural gas pipeline to Clarksville was a pretty easy sell for the city council, but the utility is finding it harder to get Todd County, Ky., to buy into the plan. The proposed 25-mile pipeline would cut through Todd County, and officials there don't want the pipeline built unless Clarksville Gas & Water grants them access to the natural gas being transported on it. (www.tennessean.com Sept. 30, 2013)

University of Kentucky gets \$3.5 million for carbon-capture research

The University of Kentucky's Center for Applied Energy Research has received a \$3 million grant to help develop technology that would capture carbon dioxide from coal-fired power plants before it enters the atmosphere. The grant from the U.S. Department of Energy comes at a crucial time, just two weeks after the U.S. Environmental Protection Agency announced new proposed regulations to sharply reduce carbon emissions from new power plants. (www.kentucky.com Sept. 30, 2013)

Appalachian fall: New carbon regulations will make life harder still for a beleaguered region

The McCoy Elkhorn mining complex straddles the border of Pike and Floyd counties in eastern Kentucky. It has underground and surface mines, as well as coal-processing plants and a section of freight rail lines, onto which mined coal can be directly loaded. If you pull to the side of Airport Road in Pikeville and look over the guardrail, you see huge trucks with empty beds sitting beneath a conveyor belt, waiting for coal from the underground mine. They may be waiting a long time. On September 16th James River Coal Company "idled" production at that mine and several others in eastern Kentucky. It laid off roughly 525 workers. (www.economist.com Sept. 28, 2013)

LG&E and KU to build second natural gas combined-cycle generating station and a solar generation facility

Louisville Gas and Electric and Kentucky Utilities companies plan to file for a certificate of public convenience and necessity with the Kentucky Public Service Commission for permission to construct a second natural gas combined-cycle generating station (NGCC) and a solar generating facility. (www.lanereport.com Oct. 3, 2013)

Duke Energy Corp : Duke Energy and The National Theatre for Children reward area schools for commitment to energy efficiency

Duke Energy (NYSE: DUK) and The National Theatre for Children have awarded \$2,000 checks to schools in North Carolina, South Carolina, Ohio and Kentucky whose students and their families completed home energy surveys and received energy efficiency starter kits as part of the company's Energy Education in Schools Program. Schools receiving awards were those with the highest total number and highest percentage of students whose families completed and returned the home energy surveys during the 2012-2013 academic year. (www.4-traders.com Oct. 3, 2013)

Patriot Coal adding jobs at Western Ky. mine

With layoffs at mines across the Tri-State region, miners in southeastern Kentucky could be looking at some good news as Patriot Coal plans to hire some workers for one of its mines in western Kentucky. More than 100 coal miners came to a job fair Wednesday in Pikeville, and about the same amount showed up Tuesday in Hazard, Ky. There, several organizations such as the Kentucky Coal Association, Eastern Kentucky Concentrated Employment Programs (E.K.C.E.P.) and Hiring Our Miners Every Day (H.O.M.E.) set up a job fair to help fill the Patriot Coal positions. (www.wsaz.com Oct. 2, 2013)

Alliance Resource Partners to close Kentucky coal mine in December, cutting 142 jobs

Coal miner Alliance Resource Partners L.P. said Friday that it plans to close a Kentucky mine in December and cut 142 jobs at the site due to weak demand for coal. The Pontiki mine has operated for 36 years. It was temporarily idled last year for about three months following a closure order by the Mine Safety and Health Administration. The company said it knew the market outlook was uncertain when it reopened the mine last year, but remained hopeful that conditions would improve. But it said Friday that market conditions remain weak and the company has been unable to secure new sales contracts beyond 2013. (www.therepublic.com Sept. 27, 2013)

Feds allege more than \$100M biofuels scam

Federal officials say an Indiana-based biofuels company cheated investors and taxpayers out of more than \$100 million in what U.S. attorney Joe Hogsett called the largest tax and securities fraud scheme in Indiana history. Prosecutors depict a case centered around Middletown-based E-Biofuels, the details of which resemble some scheme portrayed in a Hollywood movie. (www.usatoday.com Sept. 18, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	10/3/2013	9/26/2013	9/19/2013	9/12/2013	Year Ago
Gasoline (State avg.)	\$ 3.29	\$ 3.36	\$ 3.40	\$ 3.47	\$ 3.65
Ashland	\$ 3.31	\$ 3.40	\$ 3.49	\$ 3.56	\$ 3.68
Covington	\$ 3.48	\$ 3.54	\$ 3.56	\$ 3.60	\$ 3.77
Lexington	\$ 3.25	\$ 3.34	\$ 3.34	\$ 3.46	\$ 3.68
Louisville	\$ 3.31	\$ 3.44	\$ 3.56	\$ 3.52	\$ 3.57
Owensboro	\$ 3.20	\$ 3.22	\$ 3.30	\$ 3.41	\$ 3.67
Diesel (State avg.)	\$ 3.92	\$ 3.93	\$ 3.95	\$ 3.95	\$ 4.00
Ashland	\$ 3.94	\$ 3.97	\$ 3.99	\$ 3.99	\$ 4.08
Covington	\$ 3.92	\$ 3.93	\$ 3.95	\$ 3.96	\$ 3.99
Lexington	\$ 3.93	\$ 3.96	\$ 3.96	\$ 3.96	\$ 4.00
Louisville	\$ 3.88	\$ 3.90	\$ 3.91	\$ 3.91	\$ 3.98
Owensboro	\$ 3.91	\$ 3.93	\$ 3.95	\$ 3.92	\$ 4.05

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	10/2/2013	9/25/2013	9/18/2013	9/11/2013	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 103.54	\$ 102.88	\$ 106.75	\$ 107.56	\$ 91.69
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.61	\$ 3.52	\$ 3.72	\$ 3.60	\$ 3.21

Source: the Wall Street Journal

Futures		November 2013	December 2013	January 2013
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/2/2013	\$ 104.10	\$ 103.64	\$ 102.77
MMBtu <i>Henry-Hub</i>	10/2/2013	\$ 3.54	\$ 3.70	\$ 3.80
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	10/2/2013	\$ 1.08	\$ 1.08	\$ 1.09
Coal (Dollars per ton) <i>Central Appalachian</i>	10/2/2013	\$ 52.70	\$ 52.81	\$ 54.58

Source: CME Group



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