

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues



Eastern States Petition EPA to Add Nine Upwind States to Ozone Transport Region

Eight downwind Eastern states petitioned the Environmental Protection Agency on Dec. 9 to add nine Southern and Midwestern states to the Ozone Transport Region. Adding those nine states would require them to take steps to curb interstate transport of air pollution that contributes to nonattainment with the EPA's national ambient air quality standards in the downwind states. (www.bna.com Dec. 10, 2013)

Kentucky Power files for conversion of Unit 1 at Big Sandy plant

Kentucky Power has filed an application for a Certificate of Public Convenience and Necessity with the Kentucky Public Service Commission to convert Unit 1 at the company's Big Sandy Power Plant near Louisa from a coal-fired unit to a natural gas-fired unit. (www.dailyindependent.com Dec. 9, 2013)

Kentucky heating assistance program begins to help needy

Winter is more than a month away, but Tuesday marked the start of the Low Income Home Energy Assistance Program or LIHEAP in Kentucky. The recent cold temperatures mean higher heating bills are on the way. (www.wkyt.com Nov 12, 2013)

Kentucky Chamber voices support of Bluegrass Pipeline

The Kentucky Chamber of Commerce is a staunch supporter of pro-energy infrastructure investments that benefit the present and future of the commonwealth. To retain and attract new industries in Kentucky, we must recognize the need for access to energy resources and infrastructure that make the state competitive with other geographic areas of the country, the chamber said today in a press release. (www.lanereport.com Dec. 11, 2013)

Big Rivers to lay off 165

Big Rivers Electric Corporation gave all 420 employees at its Coleman, Wilson and Sebree generating plants the required 60-day layoff notice on Thursday. The utility is expecting to reduce 165 positions when it idles the Coleman and Wilson plants, the utility's spokesperson confirmed Friday. (www.messenger-inquirer.com Dec. 7, 2013)

Hollowed Mountains, Now Hollowed Towns: Coal in Eastern Kentucky

People in Eastern Kentucky are used to the ups and downs of a coal-based economy. Prices plummet. Production slows down. Coal miners get laid off. Several months later, prices rise. The phone rings. Miners pick up their helmets and go back to work. We're in one of those slumps now—but, this time, things are different. In the hardest-hit counties, the bumpers of heavy-duty Ford pickup trucks still host Friends of Coal license plates, next to stickers telling other drivers that coal keeps the lights on. But the winding mountain roads are a little quieter. (www.wfp.org Dec. 11, 2013)

Lawsuit, eminent domain bill swirl around Bluegrass Pipeline

The fight over whether it's legal to condemn private land for a hazardous liquids pipeline in Kentucky is moving into the courts -- and ramping up in the legislature. A state lawmaker has proposed another change to Kentucky's eminent domain laws -- a move he believes would help keep developers of the controversial Bluegrass Pipeline from seizing land from reluctant property owners. (www.wdrb.com Dec 5, 2013)

Attorney General Conway Appeals Approval of Kentucky Power's Acquisition of West Virginia Coal Plant to Replace Kentucky's Big Sandy Facility

Attorney General Conway announced today that he has appealed the October 7, 2013 decision of the Kentucky Public Service Commission allowing Kentucky Power Company to purchase a 50 percent interest in a West Virginia coal plant instead of retrofitting the Big Sandy facility in Louisa, Kentucky. The appeal to the Franklin Circuit Court seeks to vacate and set aside the Commission's findings on multiple legal grounds. (http://migration.kentucky.gov Dec 4, 2013)

Thousands of Kentucky residents lose power

Ice accumulated on many power lines in Todd County and surrounding areas this weekend. As a result, several lines lost power impacting thousands of Kentucky residents. Marvin Etheridge lost electricity around 7 a.m. today. A power line snapped from the weight of ice coating it. The Pennyriale electric service cable fell right next to Etheridge's home. (www.fox17.com Dec 9, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

| Product | 12/12/2013 | 12/5/2013 | 11/21/2013 | 11/14/2013 | Year Ago |
|------------------------------|------------|-----------|------------|------------|----------|
| Gasoline (State avg.) | \$ 3.25 | \$ 3.23 | \$ 3.27 | \$ 3.24 | \$ 3.27 |
| Ashland | \$ 3.28 | \$ 3.23 | \$ 3.36 | \$ 3.21 | \$ 3.33 |
| Covington | \$ 3.24 | \$ 3.23 | \$ 3.26 | \$ 3.28 | \$ 3.34 |
| Lexington | \$ 3.22 | \$ 3.17 | \$ 3.29 | \$ 3.32 | \$ 3.26 |
| Louisville | \$ 3.36 | \$ 3.28 | \$ 3.31 | \$ 3.24 | \$ 3.31 |
| Owensboro | \$ 3.20 | \$ 3.21 | \$ 3.26 | \$ 3.12 | \$ 3.19 |
| Diesel (State avg.) | \$ 3.86 | \$ 3.86 | \$ 3.87 | \$ 3.88 | \$ 4.08 |
| Ashland | \$ 3.91 | \$ 3.91 | \$ 3.92 | \$ 3.92 | \$ 4.07 |
| Covington | \$ 3.87 | \$ 3.89 | \$ 3.89 | \$ 3.88 | \$ 4.14 |
| Lexington | \$ 3.85 | \$ 3.86 | \$ 3.85 | \$ 3.88 | \$ 4.13 |
| Louisville | \$ 3.83 | \$ 3.84 | \$ 3.83 | \$ 3.83 | \$ 4.04 |
| Owensboro | \$ 3.90 | \$ 3.89 | \$ 3.91 | \$ 3.89 | \$ 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,

| Product | 12/9/2013 | 12/2/2013 | 11/18/2013 | 11/11/2013 | Year Ago |
|----------------------------------|-----------|-----------|------------|------------|----------|
| Heating Oil (dollars per gallon) | \$ 3.49 | \$ 3.52 | \$ 3.48 | \$ 3.55 | \$ 3.74 |
| Propane (dollars per gallon) | \$ 2.30 | \$ 2.26 | \$ 2.27 | \$ 2.21 | \$ 2.08 |

| Spot Prices | 12/11/2013 | 12/4/2013 | 11/20/2013 | 11/13/2013 | Year Ago |
|---|------------|-----------|------------|------------|----------|
| Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i> | \$ 97.64 | \$ 97.63 | \$ 95.28 | \$ 94.11 | \$ 85.39 |
| Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i> | \$ 4.23 | \$ 3.93 | \$ 3.62 | \$ 3.67 | \$ 3.33 |

Source: the Wall Street Journal

| Futures | | January 2014 | February 2014 | March 2014 |
|--|------------|--------------|---------------|------------|
| Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i> | 12/11/2013 | \$ 97.44 | \$ 97.72 | \$ 97.72 |
| | 12/4/2013 | \$ 97.20 | \$ 97.43 | \$ 97.45 |
| Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i> | 12/11/2013 | \$ 4.34 | \$ 4.33 | \$ 4.30 |
| | 12/4/2013 | \$ 3.96 | \$ 3.96 | \$ 3.94 |
| Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i> | 12/11/2013 | \$ 1.31 | \$ 1.29 | \$ 1.20 |
| | 12/4/2013 | \$ 1.27 | \$ 1.24 | \$ 1.18 |
| Coal (Dollars per ton) <i>Central Appalachian</i> | 12/11/2013 | \$ 57.25 | \$ 57.48 | \$ 57.78 |
| | 12/4/2013 | \$ 55.94 | \$ 56.29 | \$ 56.75 |

Source: CME Group

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