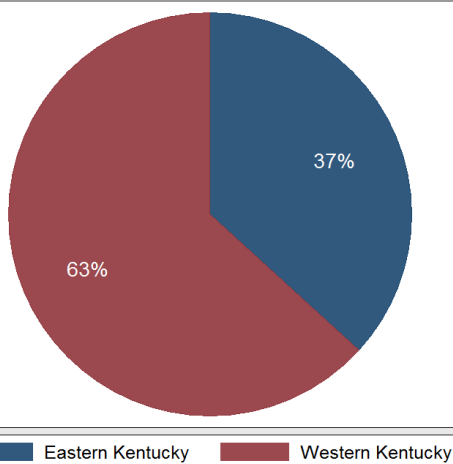


Kentucky Quarterly Coal Report

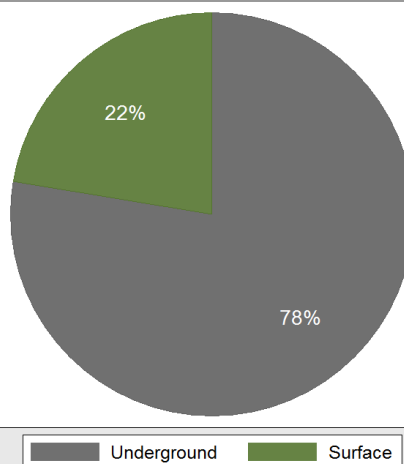
July to September 2016

Kentucky Coal Production by Region, Q3-2016



Kentucky Energy Database, EEC-DEDI & US-DOL-MSHA-MDRS Queried on: 28 Oct 2016

Kentucky Coal Production by Mine Type, Q3-2016



Kentucky Energy Database, EEC-DEDI & US-DOL-MSHA-MDRS Queried on: 28 Oct 2016

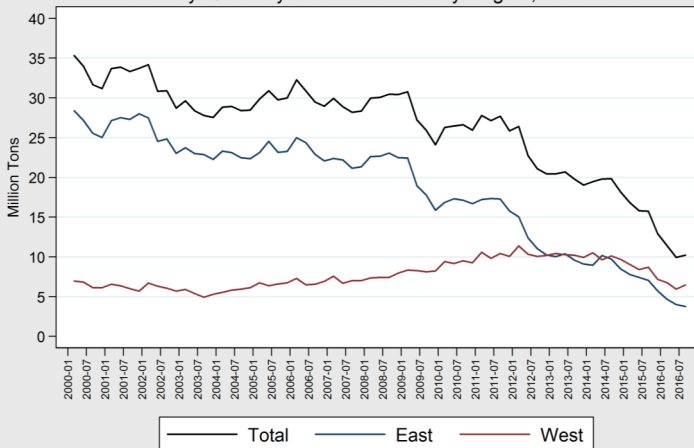
Region	Q3 Tonnage	Quarter Change
Total	10,220,874	+2.9%
Western Kentucky	6,459,910	+8.9%
Eastern Kentucky	3,760,964	-5.9%

Mine Type	Q3 Tonnage	Quarter Change
Total	10,220,874	+2.9%
Underground	7,930,993	+3.6%
Surface	2,289,881	+0.6%

Preliminary data indicate that total coal production at Kentucky mines increased by 2.9 percent during the third quarter of 2016 to over 10.2 million tons.

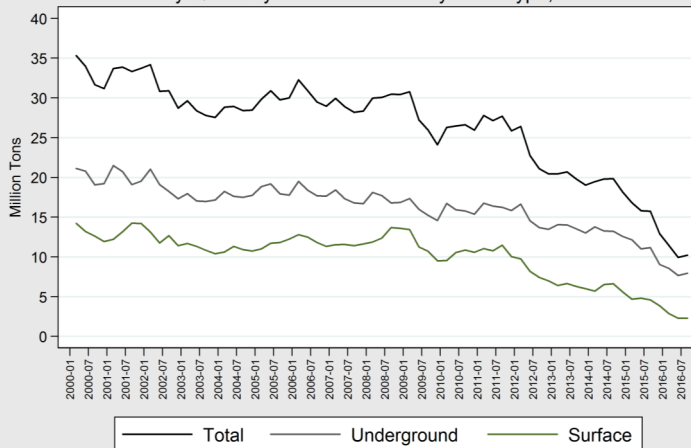
Coal production at underground mines totaled 7.9 million tons during the third quarter of 2016, an increase of 3.6 percent from the previous quarter.

Kentucky Quarterly Coal Production by Region, 2000-2016



Kentucky Energy Database, EEC-DEDI & US-DOL-MSHA-MDRS Queried on: 28 Oct 2016

Kentucky Quarterly Coal Production by Mine Type, 2000-2016



Kentucky Energy Database, EEC-DEDI & US-DOL-MSHA-MDRS Queried on: 28 Oct 2016

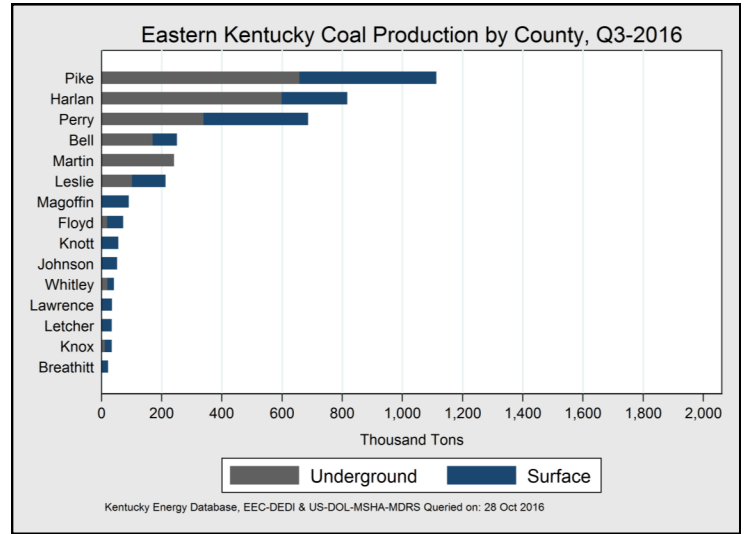
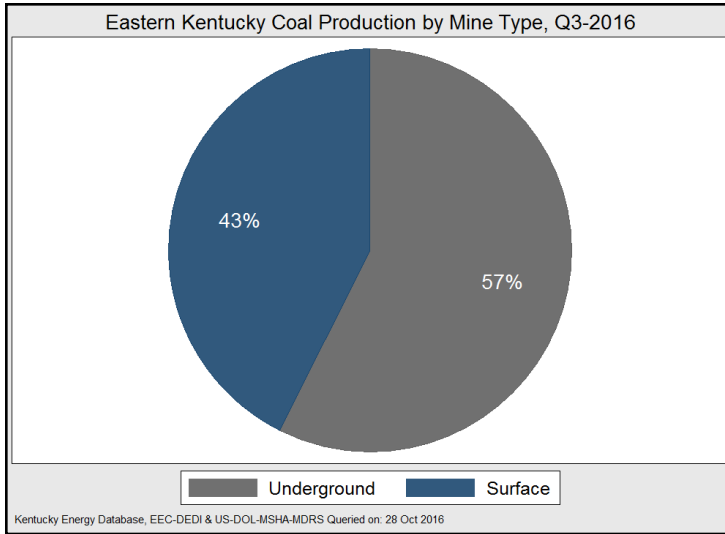
Western Kentucky coal mines drove the total production gains in the state during the third quarter of 2016. The region increased output by 8.9 percent to produce nearly 6.5 million tons for the quarter. Although eastern Kentucky's coal production continued to decline in the third quarter of 2016, the decrease was less severe than the two preceding quarters. Eastern Kentucky coal output fell to just under 3.8 million tons, a decrease of 5.9 percent. The region's production had fallen by 21.6 percent and 14.6 percent in the first and second quarters of 2016, respectively.

In the third quarter of 2016, surface mines in Kentucky produced almost 2.3 million tons of coal, a slight increase from the second quarter of the year. Underground mines accounted for 78 percent of coal production in the Commonwealth, while surface mines contributed the other 22 percent.

The annualized rate of coal production in Kentucky through the third quarter of 2016 is the lowest since 1935.

Eastern Kentucky Coal Production

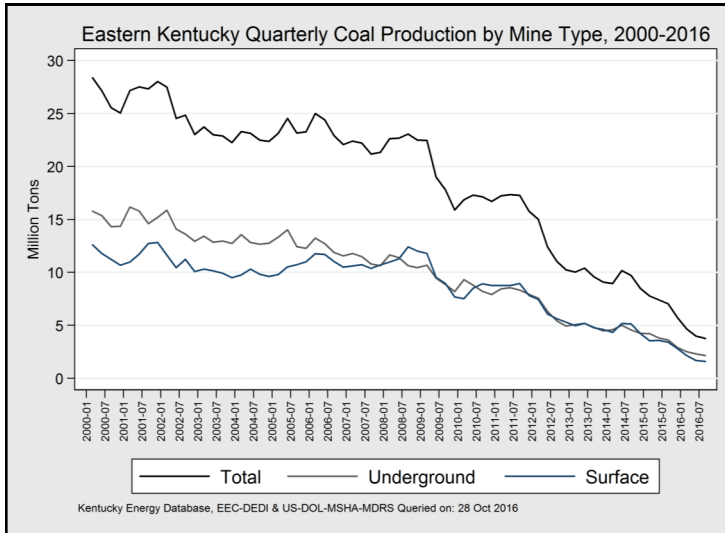
July to September 2016



Mine Type	Q3 Tonnage	Quarter Change
Total	3,760,964	-5.9%
Underground	2,158,887	-6.7%
Surface	1,602,077	-4.8%

Underground production in eastern Kentucky, which accounts for 57 percent of regional coal output, decreased by 6.7 percent to 2.1 million tons in the third quarter of 2016. Surface production fell by 4.8 percent to 1.6 million tons.

Eastern County	Q3 Tonnage	Quarter Change
Pike	1,112,914	+27.0%
Harlan	816,889	-3.1%
Perry	686,727	-20.3%
Bell	251,156	+3.6%
Martin	241,315	+10.8%
Leslie	213,320	+10.4%
Magoffin	90,987	+2.7%
Floyd	72,197	-11.3%
Knott	55,965	-82.1%
Johnson	52,319	+52.4%
Whitley	41,820	-50.5%
Lawrence	34,877	+16.4%
Letcher	34,431	-33.0%
Knox	33,886	-44.2%
Breathitt	22,161	+9.9%



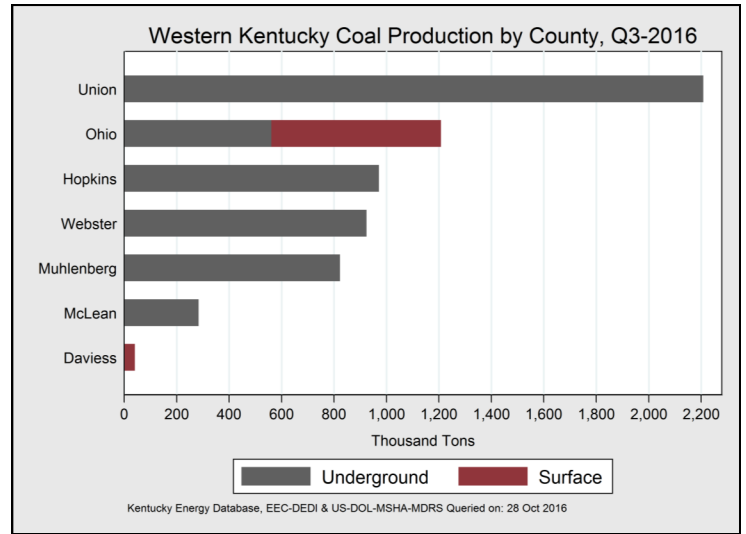
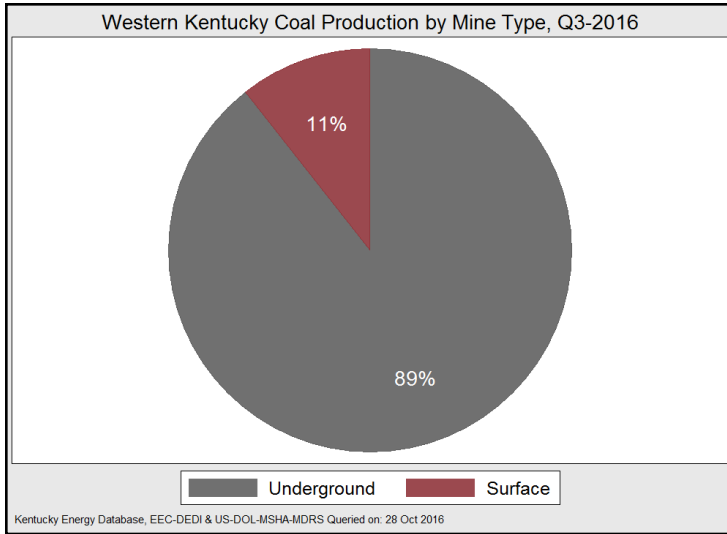
Many coal-fired power plants across the United States have closed in response to federal environmental regulations, high production costs, low natural gas prices, and low electricity demand, which has reduced demand for Kentucky coal. Approximately 85 percent of the coal mined in Kentucky in 2015 was used to generate electricity at 89 power plants in 15 states—located primarily in the Southeast. In 2016, Kentucky continues to sell coal to many power plants that are scheduled to close before 2019.

Preliminary data indicate that Pike County regained its spot as the top coal producing county in eastern Kentucky during the third quarter of 2016 by mining 1.1 million tons, a 27 percent increase from the previous quarter. Harlan County produced 816,889 tons to rank second in coal production in eastern Kentucky. The most prolific coal producing county in the region for the last two quarters, Perry County, dropped to third this quarter as output fell 20.3 percent to 686,727 tons.

While regional production fell in the third quarter of 2016, eight counties in eastern Kentucky increased production. This is up from the second quarter of 2016 when only five counties experienced production increases.

Western Kentucky Coal Production

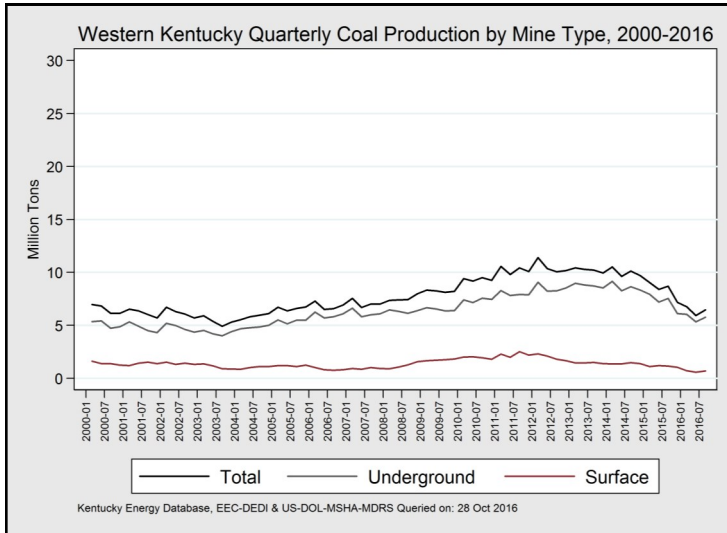
July to September 2016



Mine Type	Q3 Tonnage	Quarter Change
Total	6,459,910	+8.9%
Underground	5,772,106	+8.1%
Surface	687,804	+16.0%

Western County	Q3 Tonnage	Quarter Change
Union	2,208,514	+12.2%
Ohio	1,208,289	+22.7%
Hopkins	971,405	+5.6%
Webster	924,160	+0.0%
Muhlenberg	822,877	+10.0%
McLean	284,137	-16.8%
Daviess	40,528	-10.9%

Coal produced at underground mines in western Kentucky totaled almost 5.8 million tons in the third quarter of 2016 and accounted for 89 percent of regional production.



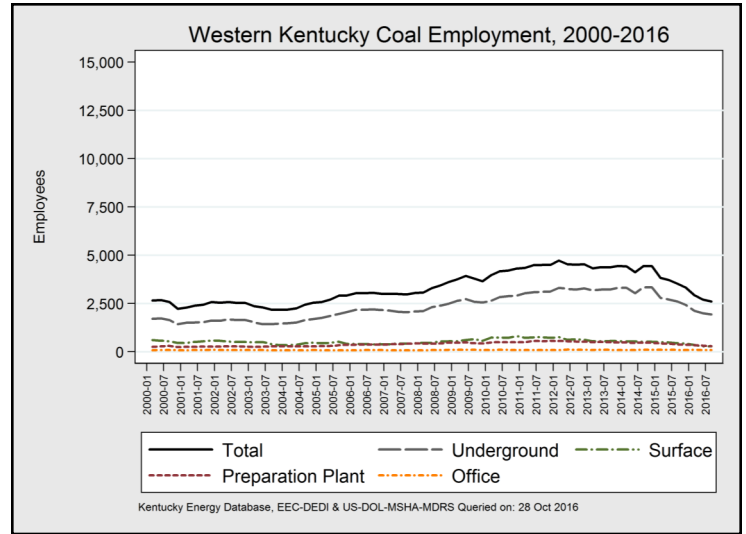
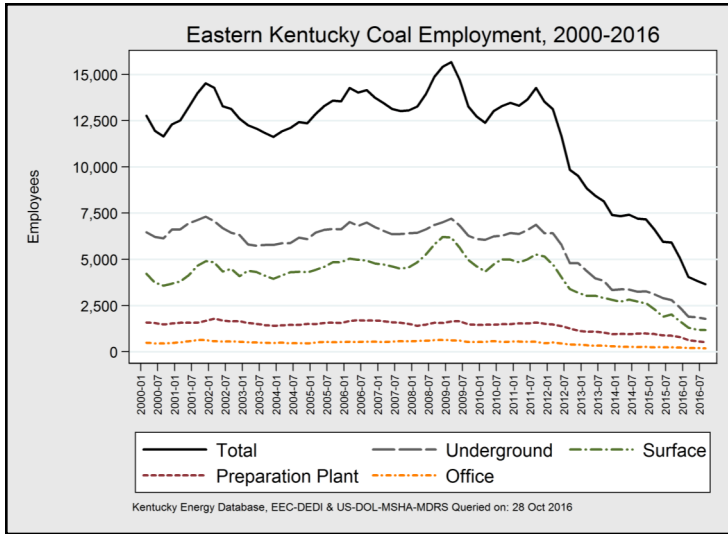
Western Kentucky coal production increased by 8.9 percent to over 6.4 million tons during the third quarter of 2016. However, output did not grow enough to equal the regional production level of the first quarter of 2016 when production was 6.7 million tons. The top five coal producing counties in western Kentucky all increased production during the third quarter of 2016. Union County mined over 2.2 million tons of coal during the third quarter of 2016, 1 million tons greater than the production of any other Kentucky county.

Ohio County experienced the largest production increases in western Kentucky during the third quarter of 2016, boosting output by 22.7 percent to 1.2 million tons.

Only McLean and Daviess Counties had declining coal production in western Kentucky during the third quarter of 2016. McLean County's output fell by 16.8 percent, while Daviess County's production decreased by 10.9 percent.

Kentucky Coal Mine Employment

July to September 2016



Eastern Counties	Q3 Employment	Quarter Change	Change	Percentage
Total	3,653	-192	-4.3%	
Pike	915	-53	-5.5%	
Harlan	801	37	+4.8%	
Perry	507	-11	-2.1%	
Bell	333	21	+6.7%	
Martin	260	-31	-10.7%	
Leslie	153	-30	-16.4%	
Floyd	134	28	+26.4%	
Whitley	122	6	+5.2%	
Knox	93	-2	-2.1%	
Knott	74	-112	-60.2%	
Letcher	74	-15	-16.9%	
Magoffin	48	2	+4.3%	
Johnson	36	-15	-29.4%	
Lawrence	27	-11	-28.9%	
Breathitt	23	-5	-17.9%	
Boyd	21	0	+0.0%	
Clay	15	1	+7.1%	
Estill	8	-2	-20.0%	
Laurel	5	0	+0.0%	
McCreary	4	0	+0.0%	

Western Counties	Q3 Employment	Quarter Change	Change	Percentage
Total	2,601	-100	-3.7%	
Union	618	-31	-4.8%	
Ohio	508	-18	-3.4%	
Hopkins	475	-4	-0.8%	
Webster	370	-8	-2.1%	
Muhlenberg	368	-30	-7.5%	
McLean	185	5	+2.8%	
Marshall	31	-16	-34.0%	
Livingston	19	2	+11.8%	
Daviess	17	-1	-5.6%	
Henderson	10	1	+11.1%	

Description	Q3 Employment	Quarter Change	Change	Percentage
Kentucky Total	6,254	-292	-4.1%	
Underground	3,721	-139	-3.6%	
Surface	1,454	-26	-1.8%	
Preparation Plant	810	-96	-10.6%	
Office	269	-31	-10.3%	

Preliminary data indicate that Kentucky coal mines reduced on-site employment by 292 workers, or 4.1 percent of their workforce, during the third quarter of 2016. As of October 1, an estimated 6,254 persons were employed at Kentucky coal mines, which is a level of employment not seen since the late 1800s.

During the third quarter of 2016, eastern Kentucky coal mines decreased total employment by 192 jobs, a 4.3 percent drop from the second quarter of the year. Coal mines in western Kentucky decreased employment by 100 jobs or 3.7 percent. To check for an updated version of this report or for more detailed information on coal production in Kentucky, please visit us online at:

energy.ky.gov/Pages/CoalFacts.aspx

Date		Kentucky Total				Eastern Kentucky				Western Kentucky					
		Average		Tons of Coal		Average		Tons of Coal		Average		Tons of Coal			
		Employment		Produced		Employment		Produced		Employment		Produced			
		Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter	Annual	Quarter		
2008	Q2	17,670	17,238	121,212,504	30,090,130	14,373	13,942	91,045,224	22,682,090	3,296	3,296	30,167,278	7,408,039		
	Q3		18,327				30,539,540				14,883		23,112,800	3,444	7,426,744
	Q4		19,030				30,477,960				15,420		22,503,580	3,610	7,974,371
2009	Q1	17,812	19,422	108,263,968	30,809,810	14,098	15,668	75,311,872	22,477,210	3,714	3,754	32,952,100	8,332,597		
	Q2		18,630				27,264,780				14,702		18,998,720	3,928	8,266,060
	Q3		17,075				25,979,240				13,278		17,850,570	3,797	8,128,670
	Q4		16,380				24,127,190				12,729		15,902,420	3,651	8,224,772
2010	Q1	17,115	16,378	105,554,104	26,304,890	13,020	12,404	68,222,672	16,883,820	4,095	3,974	37,331,432	9,421,068		
	Q2		17,217				26,510,520				13,051		17,339,430	4,166	9,171,091
	Q3		17,517				26,682,350				13,308		17,187,870	4,209	9,494,482
	Q4		17,796				25,972,700				13,484		16,727,910	4,312	9,244,791
2011	Q1	18,069	17,684	109,018,240	27,889,220	13,679	13,331	68,007,480	17,282,860	4,390	4,353	41,010,760	10,606,360		
	Q2		18,191				27,222,030				13,695		17,385,220	4,496	9,836,813
	Q3		18,810				27,804,080				14,301		17,340,210	4,509	10,463,880
	Q4		18,087				26,047,990				13,581		15,944,280	4,506	10,103,710
2012	Q1	15,622	17,932	91,358,160	26,571,280	11,117	13,203	49,311,848	15,171,750	4,505	4,729	42,046,316	11,399,530		
	Q2		16,278				22,924,670				11,731		12,568,670	4,547	10,356,000
	Q3		14,406				21,173,110				9,892		11,094,450	4,514	10,078,670
	Q4		14,107				20,555,240				9,564		10,343,130	4,543	10,212,120
2013	Q1	12,550	13,223	80,359,000	20,590,860	8,239	8,897	39,480,036	10,144,620	4,310	4,326	40,878,964	10,446,240		
	Q2		12,882				20,752,660				8,490		10,464,560	4,392	10,288,110
	Q3		12,548				19,876,820				8,180		9,667,612	4,368	10,209,210
	Q4		11,892				19,081,980				7,443		9,146,575	4,449	9,935,408
2014	Q1	11,508	11,790	77,468,336	19,494,440	7,242	7,366	37,499,304	8,969,519	4,267	4,424	39,969,028	10,524,930		
	Q2		11,574				19,864,630				7,447		10,240,600	4,127	9,624,035
	Q3		11,681				19,866,500				7,239		9,742,734	4,442	10,123,770
	Q4		11,619				18,204,500				7,186		8,508,199	4,433	9,696,298
2015	Q1	9,493	10,465	61,424,920	16,938,520	5,897	6,639	28,000,918	7,788,933	3,597	3,826	33,424,002	9,149,591		
	Q2		9,674				15,817,610				5,958		7,421,363	3,716	8,396,251
	Q3		9,094				15,574,200				5,579		6,867,600	3,515	8,706,595
	Q4		8,401				12,884,260				5,077		5,712,695	3,324	7,171,565
2016	Q1		6,941		11,397,478		4,009		4,634,209		2,932		6,763,269		
	Q2		6,519				9,913,978				3,818		3,980,548	2,701	5,933,430
	Q3		6,254				10,220,874				3,653		3,760,964	2,601	6,459,910

In order to provide the public with timely access to these data, this report uses the best-available estimate for each factor at the time of publication. Data for Q3-2016 are preliminary and subject to revision. Data for previous dates have been revised.

This report is produced by the Kentucky Energy and Environment Cabinet using data from numerous sources including the U.S. Department of Labor's Mine Safety Health Administration, the Kentucky Department of Revenue, and the Kentucky Division of Mine Safety.