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March 20, 2015

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PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT DELIVERY

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

**RE: Application of Duke Energy Kentucky, Inc. for Approval of a New Green Power Pilot Program (Duke Energy's GoGreen Kentucky)
Case No. 2009-00408**

Dear Mr. Derouen:

Pursuant to the Commission's February 5, 2010 Order, enclosed please find *Duke Energy Kentucky, Inc.'s GoGreen Power Annual Informational Filing* for the Calendar Year 2014.

Please date-stamp the extra two copies and return to me in the enclosed, self-addressed envelope.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

E. Minna Rolfes-Adkins
Sr. Paralegal

ERA
Enclosures

cc: Larry Cook (w/enclosures)

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

DUKE ENERGY KENTUCKY, INC
GOGREEN POWER
ANNUAL INFORMATIONAL FILING
CALENDAR YEAR 2014

I. Introduction

On February 5, 2010, the Kentucky Public Service Commission (Commission) issued its Order in Case No. 2009-00408 approving the Application of Duke Energy Kentucky, Inc., (Duke Energy Kentucky) to implement a new Green Power Pilot Program, GoGreen Kentucky. GoGreen Kentucky is a voluntary program that enables customers to manage their own carbon footprints by being able to designate a monthly kilowatt-hour (kWh) purchase level for green power and/or carbon offsets. GoGreen Kentucky provides customers an opportunity to purchase 100 kWh blocks of green energy at \$2.00/ block, with a minimum of 2 blocks. Customers are also afforded an opportunity to purchase carbon offset blocks, representing a 500-pound reduction in CO₂ at a price of \$4.00 per block.

GoGreen Kentucky was approved as a pilot program approved for implementation through December 31, 2012 subject to several commitments. For example, Duke Energy Kentucky was required to seek Commission approval for any changes to the pricing and/or sizing of blocks of either the renewable energy credits (RECs) or carbon offsets.

On October 2, 2012, in Case No. 2012-00455, Duke Energy Kentucky filed its application to continue its GoGreen Kentucky Program as a permanent voluntary service offering to customers but with some program enhancements. On or about December 14, 2012, the Commission approved Duke Energy Kentucky's application, which reduced the price/block of green energy to \$1.00/block, permitted participation among non-residential customers, and discontinued the Carbon Offsets option in calendar year 2012.

As a further condition to approval, Duke Energy Kentucky committed to provide this Commission with an annual report relating to the GoGreen Kentucky program that

will provide at a minimum: 1) the number of program participants; 2) the total number of RECs and Carbon Offsets subscribed; 3) the expenditures for education and promotion of the program; 4) the expenditures for research (customer satisfaction and experience); 5) the actual costs of the RECs and Carbon Credits; and 6) the administrative costs.

In accordance with the Commission's December 14, 2012 Order in Case No. 2012-00455, Duke Energy Kentucky respectfully submits its annual informational filing for the 2014 calendar year.

II. 2014 Annual Report

A. Go Green

1. Number of active GoGreen Residential customers by month:

2014	Total Customers
January	135
February	135
March	137
April	159
May	162
June	164
July	166
August	164
September	170
October	173
November	173
December	172

2. Number of Residential blocks of GoGreen RECs sold per month:

2014	Monthly Blocks	Total Cumulative Blocks
January	562	562
February	562	1,124
March	568	1,692
April	644	2,336
May	652	2,988
June	659	3,647
July	666	4,313
August	659	4,972
September	675	5,647
October	671	6,318
November	671	6,989
December	661	7,650

*Note: One Block = 100 kWh or one tenth of a REC.

3. GoGreen revenues billed: \$6,473
Note: Year end net revenues include arrears and cancellation adjustments.

4. REC expense:
 2014: REC Acquisition Cost of \$1.35 per REC for 500 Wind RECs

5. GoGreen Marketing Costs by major category:
 Campaign Promotion & Distribution Costs: \$5,069

- Bill inserts
- Duke Energy Kentucky Web Site Landing page banner ads
- Duke Energy Kentucky Online services promotional ads
- Electronic Quarterly Newsletters – for subscribers
- Customer Thank You letter - subscriber update twice a year
- Welcome kits and decals – for new subscribers

Administrative costs: Labor and call center costs: \$2,398

6. GoGreen Summary of program activities, results and observations:

In 2014, GoGreen Kentucky had 27 new residential enrollments, with a growth of 27% in total month end customers for the year. Net revenues billed were \$6,473 which includes any adjustments for cancellations and arrears.

The positive growth trend can be attributed to marketing activities that effectively built loyalty with current subscribers and reached new subscribers. Current customers received an update on the program via

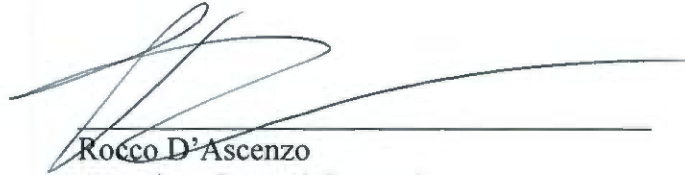
semi-annual Thank You letters and quarterly e-newsletters that highlighted topics on renewable energy, provided educational information, benefits of the program, cross promotional incentives and gathered customer feedback.

Throughout the year, Duke Energy's GoGreen Kentucky utilized effective low cost channels to reach new customers. These channels included bill inserts, state landing page banner ads, and online services promotional ads. A demographic profile report completed March 2014 identified a target profile for customers in three demographic categories that were most likely to subscribe to the program. Email targeted this group of customers in the fall reaching five new subscribers. New customers continue to receive welcome letter packets that included recognition badge decals.

7. Description of contractual arrangements with large commercial and industrial Green Power:
There were no contractual arrangements with large customers in 2014.
8. Green Power generated and delivered as of December 31, 2014:
From January through December 31, 2014, approximately 765,000 kWh of Green Power was supported and delivered as a result of cumulative blocks purchased through RECs.
Since the Program began in 2010, 2,135 MWH have been supported.
9. Calculation of CO₂ offsets from blocks of Green Power as of Dec. 31, 2014:
Since the Program began in July 2010, the Company estimates the program has led to CO₂ offsets of 2,304 tons.
10. Suppliers of REC purchase: Regional Green-e certified wind RECs from Eclipse Wind Farm located in Adair, IA
11. Quantity of REC purchase: 500
12. Actual costs of GoGreen RECs for reporting period: \$1.35 per REC
13. Estimated sales in the future period, in kWh for Go Green:
2015 Estimates: 8,000 total blocks
14. Forecasted costs of RECs per kWh, including those in inventory:
REC cost: \$1.60

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

A handwritten signature in black ink, appearing to read 'Rocco D'Ascenzo', is written over a horizontal line. The signature is stylized and extends to the right of the line.

Rocco D'Ascenzo

Associate General Counsel

Amy B. Spiller

Deputy General Counsel

Duke Energy Kentucky, Inc.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the GoGreen Rider Annual Informational Filing was delivered or mailed, postage prepaid, in the United States Mail, this 20th day of March 2015, to the following:

Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615



Rocco D'Ascenzo