



139 East Fourth Street, 1212-Main
Cincinnati, OH 45202

Telephone: (513) 287-4356
Facsimile: (513) 287-4386

E. Minna Rolfes-Adkins
Sr. Paralegal
E-mail: E.Rolfes-Adkins@duke-energy.com

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PUBLIC SERVICE
COMMISSION

March 24, 2016

VIA OVERNIGHT DELIVERY

James W. Gardner
Acting 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 Chairman Gardner:

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 2015.

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)

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MAR 25 2016

**PUBLIC SERVICE
COMMISSION**

**COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION**

**DUKE ENERGY KENTUCKY, INC
GOGREEN POWER
ANNUAL INFORMATIONAL FILING
CALENDAR YEAR 2015**

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 were 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 2015 calendar year.

II. 2015 Annual Report

A. Go Green

1. Number of active GoGreen Residential customers by month:

2015	Total Customers
January	172
February	171
March	169
April	170
May	169
June	174
July	175
August	177
September	173
October	172
November	175
December	180

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

2015	Monthly Blocks	Total Cumulative Blocks
January	657	657
February	649	1,306
March	638	1,944
April	642	2,586
May	637	3,223
June	647	3,870
July	616	4,486
August	623	5,109
September	604	5,713
October	604	6,317
November	671	6,989
December	661	7,650

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

3. GoGreen revenues billed: \$6,149

Note: Year end net revenues include arrears and cancellation adjustments.

4. REC expense:

2015: REC Acquisition Cost of \$1.20 per REC for 500 Wind RECs

5. GoGreen Marketing Costs by major category:

Campaign Promotion & Distribution Costs: \$3,562

- 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: \$4,411

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

In 2015, month end participation grew 5% for the year from 172 to 180 participants. The growth is a positive trend with new enrollments more than offsetting attrition. On average, customers support 3.6 blocks or 360 kWh per month, which equates to 1.6 blocks over the minimum purchase required. Net revenues billed were \$6,149, which includes any adjustments for cancellations and arrears.

Throughout the year, Duke Energy's GoGreen Kentucky utilized effective low cost channels to reach new customers. These marketing channels included bill inserts, state landing page online banner ads, and online billing services banner ads. The spring enrollment campaign from April to

May reached 15 new subscribers with targeted email and direct mail customer lists, resulting in response rates of .12% overall.

New customers received welcome letter packets that include recognition badge decals.

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.

7. Description of contractual arrangements with large commercial and industrial Green Power:

There were no contractual arrangements with large customers in 2015.

8. Green Power generated and delivered as of December 31, 2015:

From January through December 31, 2015, approximately 755,000 kWh of Green Power was supported and delivered as a result of cumulative blocks purchased through RECs.

Since the Program began in 2010, 2,890 MWh have been supported.

9. Calculation of CO₂ offsets from blocks of Green Power as of Dec. 31, 2015:

Since the Program began in July 2010, the Company estimates the program has led to CO₂ offsets of 3,118 tons.

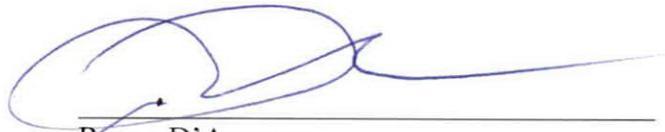
10. Suppliers of REC purchase: Regional Green-e certified wind RECs from Eclipse Wind Farm located in Adair, IA

11. Quantity of REC purchase: 500

12. Actual costs of GoGreen RECs for reporting period: \$1.20 per REC
13. Estimated sales in the future period, in kWh for Go Green:
2016 Estimates: 8,000 total blocks
14. Forecasted costs of RECs per kWh, including those in inventory:
REC cost: \$1.30

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



Rocco D'Ascenzo
Associate General Counsel
Amy B. Spiller
Deputy General Counsel
Duke Energy Kentucky, Inc.
139 East Fourth Street, 1313 Main
Cincinnati, Ohio 45201-0960
Phone: (513) 287-4320
Fax: (513) 287-4385
Email: rocco.d'ascenzo@duke-energy.com

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 24TH day of March 2016, to the following:

Kentucky Office of Attorney General
Larry Cook
1024 Capital Center Drive
Frankfort, KY 40601



Rocco D'Ascenzo