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March 27, 2016

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MAR 28 2017

PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT DELIVERY

Talina Mathews
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40602-0615

**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 Dr. Mathews:

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 2016.

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
Enclosure

cc: Rebecca Goodman (w/enclosure)

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MAR 28 2017

COMMONWEALTH OF KENTUCKY

**PUBLIC SERVICE
COMMISSION**

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

**DUKE ENERGY KENTUCKY, INC
GOGREEN POWER
ANNUAL INFORMATIONAL FILING
CALENDAR YEAR 2016**

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 2016 calendar year.

II. 2016 Annual Report:

A. Go Green

1. Number of active GoGreen Residential customers by month:

2016	Total Customers
January	183
February	181
March	181
April	184
May	178
June	180
July	182
August	180
September	182
October	182
November	182
December	181

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

2016	Monthly Blocks	Total Cumulative Blocks
January	637	637
February	633	1270
March	630	1900
April	640	2540
May	615	3155
June	621	3776
July	626	4402
August	628	5030
September	637	5667
October	639	6306
November	649	6955
December	665	7620

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

3. GoGreen revenues billed: \$6,153

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

4. REC expense: \$2,470

2016: REC Acquisition Cost of \$2.45 per REC for 1,000 Wind RECs

5. GoGreen Marketing Costs by major category:

Campaign Promotion & Distribution Costs: \$796

- Duke Energy Kentucky Web Site Landing page banner ads
- Duke Energy Kentucky Online services promotional ads
- Customer Thank You letter - subscriber update twice a year
- Welcome kits and decals – for new subscribers
- Administrative costs: Labor and call center costs: \$1,967

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

In 2016, there were 25 new participants. The growth is shows new enrollments help to offset attrition. On average, customers support 3.5 blocks per month, which equates to 1.5 blocks over the minimum purchase

required. Net revenues billed were \$6,153, 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 Duke Energy Kentucky online banner ads and online billing services banner ads. The May enrollment campaign reached 25 new subscribers with targeted email and direct mail customer lists. 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.

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

There were no contractual arrangements with large customers in 2016.

8. Green Power generated and delivered as of December 31, 2016:

From January through December 31, 2016, approximately 766,200 kWh of Green Power was supported and delivered as a result of cumulative blocks purchased through RECs.

Since the Program began in 2010, 3,656 MWH have been supported.

9. Calculation of CO₂ offsets from blocks of Green Power as of December 31, 2016: 827

Since the Program began in July 2010, the Company estimates the program has led to CO₂ offsets of 3,945 tons.

10. Suppliers of REC purchase: Regional Green–e certified wind RECs from Benton County Wind Farm located in Indiana
11. Quantity of REC purchase: 1,000
12. Actual costs of GoGreen RECs for reporting period: \$2.45 per REC
13. Estimated sales in the future period, in kWh for Go Green:
2017 Estimates: 8,000 total blocks
14. Forecasted costs of RECs per kWh, including those in inventory:
REC cost: \$2.45

Respectfully submitted,

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 27th day of March 2017, to the following:

Rebecca W. Goodman
Executive Director
The Office of the Attorney General
Utility Intervention and Rate Division
700 Capital Ave. Ste 20
Frankfort, Kentucky 40601 (502)696-5453
Rebecca.Goodman@ky.gov



Rocco D'Ascenzo