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139 East Fourth Street
P.O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-287-4320
Fax: 513-287-4385
Rocco.D'Ascenzo@duke-energy.com

Rocco O. D'Ascenzo
Associate General Counsel

June 13, 2013

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Re: Case No. 2011-124
In the Matter of the Joint Application of Duke Energy Corporation, Cinergy Corp., Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc. for Approval of the Indirect Transfer of Control of Duke Energy Kentucky, Inc.

Dear Mr. Derouen:

In the Stipulation in the above-referenced case, Duke Energy Kentucky, Inc. made several merger commitments. Duke Energy Kentucky regularly monitors these commitments to ensure compliance and hereby reports the following information regarding these commitments.

Commitment #23

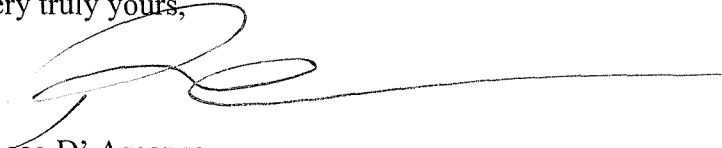
Joint Applicants commit that when Duke Energy Kentucky files its monthly reports with the Commission, it shall include with that filing a schedule of the current capital structure and a schedule of any capital contributions made to Duke Energy Kentucky in the applicable month. The monthly reports shall also include separate gas and electric income statements and a combined gas and electric balance sheet for each of the eight months in which it does not make quarterly filings.

Duke Energy Response:

Duke Energy Kentucky, Inc.'s monthly financial statement for April 2013 is enclosed.

Duke Energy Kentucky will continue to provide ongoing reporting as required under the merger commitments. Please file stamp the two copies of this letter enclosed herein and return in the enclosed return-addressed envelope.

Very truly yours,

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a long horizontal line extending to the right.

Rocco D' Ascenzo
Associate General Counsel
Amy B. Spiller
State Regulatory General Counsel

cc: Dennis G. Howard, II
Mr. Jay Baucom
Mr. Matthew Schroeder

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 1
As of April 30, 2013
(Unaudited)

	<u>Total Company</u>
<u>Assets</u>	
Utility Plant in Service	1,689,166,211
Construction Work in Progress	21,891,031
Less Accum. Depreciation	<u>(771,861,437)</u>
Net Utility Plant	<u>939,195,805</u>
Nonutility Property	5,178,709
Other Investments	1,500
Other Special Funds	26,221
Total Other Property & Investments	<u>5,206,430</u>
Cash	13,105,237
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	3,147,962
Other Accounts Receivable	2,419,104
Less Provision for Uncollectibles	(192,365)
Notes Receivable from Assoc. Co.	34,502,909
Accounts Receivable from Assoc. Co.	(442,612)
Fuel Stock	21,496,697
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	17,719,237
Other Materials & Supplies	-
Stores Expense Undistributed	842,400
Prepayments	1,458,296
Emission Allowances	94,989
Derivative Instrument Assets	131,798
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	11,072,569
Rents Receivable	-
Total Current & Accrued Assets	<u>105,356,221</u>
Unamortized Debt Expense	2,378,500
Other Regulatory Assets	17,052,117
Preliminary Survey & Investigation	2,124,764
Clearing Accounts	48,436
Temporary Facilities	(3,700)
Miscellaneous Deferred Debits	39,437,240
Unamortized Loss on Reacquired Debt	2,436,132
Accumulated Deferred Income Taxes	5,419,738
Unrecovered Purchased Gas Costs	<u>(1,405,363)</u>
Total Deferred Debits	<u>67,487,864</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>1,117,246,320</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of April 30, 2013
(Unaudited)

	<u>Total Company</u>
<u>Proprietary Capital</u>	
Common Stock Issued	8,779,995
Premium on Capital Stock	18,838,946
Other Paid-in Capital Stock	148,655,189
Retained Earnings	214,306,778
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	<u>390,580,908</u>
<u>Liabilities</u>	
Bonds	332,571,494
Less Unamortized Discount on Long-Term Debt	(589,693)
Total Long-Term Debt	<u>331,981,801</u>
Obligations Under Capital Leases - Noncurrent	6,561,536
Asset Retirement Obligation	6,166,395
Long-Term Portion of Derivative Instrument Liabilities	6,629,487
Accum. Misc. Operating Provisions	18,748,528
Total Other Noncurrent Liabilities	<u>38,105,946</u>
Accounts Payable	20,964,148
Notes Payable to Assoc. Co.	-
Accounts Payable to Assoc. Co.	14,147,274
Customer Deposits	9,153,136
Taxes Accrued	12,134,313
Interest Accrued	2,747,391
Tax Collections Payable	2,119,828
Misc. Current & Accrued Liabilities	7,448,293
Obligations Under Capital Leases - Current	1,826,728
Derivative Instrument Liabilities	7,624,430
Less: Long-Term Portion of Derivative Instrument Liabilities	(6,629,487)
Total Current & Accrued Liabilities	<u>71,536,054</u>
Customer Advances for Construction	683,719
Accum. Deferred Investment Tax Credits	1,446,616
Other Deferred Credits	27,850,952
Other Regulatory Liabilities	1,435,357
Accumulated Deferred Income Taxes	253,624,967
Total Deferred Credits	<u>285,041,611</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u>1,117,246,320</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended April 30, 2013
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	132,860,604	62,613,942	195,474,546
Commercial Sales	116,294,419	23,007,415	139,301,834
Industrial Sales	54,553,646	1,902,059	56,455,705
Sales to Public Authorities	22,928,759	2,558,924	25,487,683
Public Street & Highway Lighting	1,721,620	957	1,722,577
Inter-Departmental Sales	68,502	21,675	90,177
Misc. Service Revenues	(369,500)	555,193	185,693
Revenues from Transportation	-	6,336,262	6,336,262
Sales for Resale	13,293,692	-	13,293,692
Rents from Property	1,777,578	-	1,777,578
Other Revenues	2,620,846	4,354	2,625,200
Total Revenues	<u>345,750,166</u>	<u>97,000,781</u>	<u>442,750,947</u>
<u>Operating Expenses</u>			
Operation Expense	225,398,505	63,875,227	289,273,732
Maintenance Expense	27,629,369	1,791,235	29,420,604
Depreciation Expense	26,207,337	8,786,550	34,993,887
Amortization and Depletion	2,419,044	1,500,470	3,919,514
Taxes Other than Income Taxes	11,164,925	4,240,349	15,405,274
Income Taxes - Federal & Other	9,159,343	369,703	9,529,046
Provision for Deferred Income Taxes - Net	(6,232,235)	15,358,051	9,125,816
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>295,746,288</u>	<u>95,921,585</u>	<u>391,667,873</u>
NET OPERATING INCOME	<u>50,003,878</u>	<u>1,079,196</u>	<u>51,083,074</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	240,867	100	240,967
Less Expense of Merchandising, Jobbing and Contract Work	(94,449)	8,604	(85,845)
Revenues from Nonutility Operations	(1,265)	817	(448)
Interest & Dividend Income	1,167,140	49,076	1,216,216
AFUDC	399,277	(228,858)	170,419
Loss on Disposition of Property	-	-	-
Gain from Disposition of Allowances	(15,132)	(5,556)	(20,688)
Misc. Income Deductions	(1,086,234)	(652,092)	(1,738,326)
Taxes Other than Income Taxes	(102,694)	(35,584)	(138,278)
Income Taxes - Federal & Other	(3,667,334)	333,322	(3,334,012)
Provision for Deferred Income Taxes - Net	3,137,119	89,210	3,226,329
Total Other Income & Deductions	<u>(22,705)</u>	<u>(440,961)</u>	<u>(463,666)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(10,126,786)	(4,054,374)	(14,181,160)
Amortization of Debt Disc. And Expense	(379,830)	(119,561)	(499,391)
Amortization of Loss on Reacquired Debt	(222,232)	(60,911)	(283,143)
Interest on Debt to Assoc Co	(1,343)	(541)	(1,884)
Other Interest Expense	(2,165,471)	(186,882)	(2,352,353)
Less Allowance for Borrowed Fund Used During Construction - Credit	218,309	(79,562)	138,747
Net interest Charges	<u>(12,677,353)</u>	<u>(4,501,831)</u>	<u>(17,179,184)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>37,303,820</u>	<u>(3,863,596)</u>	<u>33,440,224</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
April 30, 2013
(Unaudited)

	Actual March 2013	Activity	Actual April 2013
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
Long-term debt	331,974,266	7,535	331,981,801
Obligations under Capital Lease-Noncurrent	6,674,678	(113,142)	6,561,536
Total Long-term debt	338,648,944	(105,607)	338,543,337
Common Stock Equity			
Common Stock	8,779,995	-	8,779,995
Premium On Capital Stock Common	18,838,946	-	18,838,946
Donations Received From Stockholders	143,211,362	-	143,211,362
Donations Received From Stockholders Tax	5,600,021	-	5,600,021
Other Miscellaneous PIC	(156,194)	-	(156,194)
Unappropriated Retained Earnings Balance	196,610,414	-	196,610,414
Unappropriated Retained Earnings - Current Year Net Income	18,797,343	(1,100,979)	17,696,364
Total Common Stock Equity	391,681,887	(1,100,979)	390,580,908
TOTAL CAPITALIZATION	730,330,831	(1,206,586)	729,124,245