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MAY 1 5 2017

PUBLIC SERVICE COMMISSION

VIA OVERNIGHT DELIVERY

May 12, 2017

Dr. Talina Mathews Public Service Commission Commonwealth of Kentucky 211 Sower Boulevard Frankfort, Kentucky 40602-0615

Re:

Case No. 2011-00124

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 Dr. Mathews:

Enclosed please find Duke Energy Kentucky's financial statements for the end of March 2017, per order by the Commission in the above-referenced case.

Please file-stamp the extra copy of this letter and return to me in the enclosed return-addressed envelope.

If you have any questions regarding the financial statements, please contact Oyinade Taylor at 980-373-1816.

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Sincerely,

Rocco D'Ascenzo

Associate General Counsel

Enclosures

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements Balance Sheet - Page 1 As of March 31, 2017 (Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	1,578,536,549	472,390,187	11,786,060	2,062,712,796
Construction Work in Progress	61,033,002	11,663,461	-	72,696,463
Less: Accumulated Depreciation	(842,431,850)	(160,436,148)	(7,256,545)	(1,010,124,543)
Net Utility Plant	797,137,701	323,617,500	4,529,515	1,125,284,716
Nonutility Property	-	-	94,886	94,886
Other Investments	_	_	1,500	1,500
Other Special Funds	-	_	1,803,323	1,803,323
Long Term Portion of Derivative Instrument Assets	-	-	955,550	955,550
Total Other Property & Investments	<u> </u>	-	2,855,259	2,855,259
Cash	6,117,593	2,511,655	(458,076)	8,171,172
Working Funds	-,,	_,,	-	-,,
Temporary Cash Investments	_	-	_	_
Customer Accounts Receivable	1,629,339	437,993	_	2,067,332
Other Accounts Receivable	764,347	313,812	(57,233)	1,020,926
Less: Provision for Uncollectibles	(109,773)	(29,509)	(0.,200)	(139,282)
Notes Receivable from Assoc. Co.	8,697,766	3,570,978	(651,275)	11,617,469
Accounts Receivable from Assoc. Co.	(195,122)	(80,110)	14,610	(260,622)
Fuel Stock	18,614,072	1,147,832	2,131,688	21,893,592
Gas Stored Underground Inventory	-	988,448		988,448
Plant Materials & Operating Supplies	20,098,809	439,857	_	20,538,666
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	579,529	12,683	_	592,212
Prepayments	(3,713,595)	(1,758,034)	-	(5,471,629)
Emission Allowances	46,464	-	_	46,464
Derivative Instrument Assets	413,996	_	-	413,996
Interest & Dividends Receivable	-	_	_	-
Misc Current and Accrued Assets	14,541,678	-	-	14,541,678
Rents Receivable	2,500	-	_	2,500
Total Current & Accrued Assets	67,487,603	7,555,605	979,714	76,022,922
Unamortized Debt Expense	1,408,469	578,264	(105,464)	1,881,269
Other Regulatory Assets	92,168,548	11,168,785	(100,404)	103,337,333
Preliminary Survey & Investigation	162,858	66,863	(12,195)	217,526
Clearing Accounts	4,458	1,205	(12,100)	5,663
Temporary Facilities	-	-	_	-
Miscellaneous Deferred Debits	754,254	309,668	(56,477)	1,007,445
Unamortized Loss on Reacquired Debt	1,039,383	426,732	(77,828)	1,388,287
Accumulated Deferred Income Taxes	27,080,837	5,438,192	-	32,519,029
Unrecovered Purchased Gas Costs	,,	(1,228,431)	_	(1,228,431)
Total Deferred Debits	122,618,807	16,761,278	(251,964)	139,128,121
TOTAL ASSETS AND OTHER DEBITS	987,244,111	347,934,383	8,112,524	1,343,291,018

<u>Duke Energy Kentucky, Inc.</u>

Monthly Supplemental Financial Statements Balance Sheet - Page 2 As of March 31, 2017 (Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
Proprietary Capital				
Common Stock Issued	6,573,407	2,698,795	(492,207)	8,779,995
Premium on Capital Stock	14,104,342	5,790,715	(1,056,111)	18,838,946
Other Paid-in Capital Stock	111,295,167	45,693,632	(8,333,610)	148,655,189
Retained Earnings	228,777,856	59,152,643	(14,775,262)	273,155,237
Accumulated Other Comprehensive Income		-	-	· -
Total Proprietary Capital	360,750,772	113,335,785	(24,657,190)	449,429,367
Liabilities				
Bonds	252,095,530	103,500,994	(18,876,524)	336,720,000
Advances from Associated Companies	18,717,000	7,684,500	(1,401,500)	25,000,000
Less: Unamortized Discount on Long-Term Debt	(243,737)	(100,069)	18,250	(325,556)
Total Long-Term Debt	270,568,793	111,085,425	(20,259,774)	361,394,444
Obligations Under Capital Leases - Noncurrent	984,891	404,354	-	1,389,245
Asset Retirement Obligation	45,882,368	5,936,106	-	51,818,474
Long-Term Portion of Derivative Instrument Liabilities	3,676,868	993,594	=	4,670,462
Accum. Misc. Operating Provisions	11,627,795	3,142,160	<u> </u>	14,769,955
Total Other Noncurrent Liabilities	62,171,922	10,476,214		72,648,136
Accounts Payable	18,609,670	7,640,434	(1,393,463)	24,856,641
Notes Payable to Assoc. Co.	6,908,070	2,836,195	(517,265)	9,227,000
Accounts Payable to Assoc. Co.	10,793,137	4,431,258	(808,173)	14,416,222
Customer Deposits	6,117,676	4,114,262	-	10,231,938
Taxes Accrued	644,905	(1,030,658)	(6,312)	(392,065)
Interest Accrued	2,593,223	1,064,680	(194,176)	3,463,727
Tax Collections Payable	1,071,829	491,654	4,705	1,568,188
Misc. Current & Accrued Liabilities	9,573,210	2,586,953	-	12,160,163
Obligations Under Capital Leases - Current	421,589	173,086	-	594,675
Derivative Instrument Liabilities	4,319,767	1,167,324	-	5,487,091
Less: Long-Term Portion of Derivative Instrument Liabilities Total Current & Accrued Liabilities	(3,676,868) 57,376,208	(993,594) 22,481,594	(2,914,684)	(4,670,462)
Total Culterit & Accided Elabilities	51,376,206	22,461,594	(2,914,664)	76,943,118
Customer Advances for Construction	-	1,477,813	-	1,477,813
Accum. Deferred Investment Tax Credits	(2,800,894)	621,343	2,839,403	659,852
Other Deferred Credits	14,948,275	4,756,807	-	19,705,082
Other Regulatory Liabilities	3,893,059	1,928,599	-	5,821,658
Accumulated Deferred Income Taxes	220,335,976	81,770,803	53,104,769	355,211,548
Total Deferred Credits	236,376,416	90,555,365	55,944,172	382,875,953
TOTAL PROPRIETARY CAPITAL,				
LIABILITIES, AND OTHER DEFERRED CREDITS	987,244,111	347,934,383	8,112,524	1,343,291,018

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements Income Statement For the 12 Months Ended March 31, 2017 (Unaudited)

Revenues		Electric	Gas	Non- Jurisdictional	Total Company
Commercial Sales					<u> </u>
Industrial Sales 1,2,980,076		127,517,885	61,142,737	-	188,660,622
Sales to Public Authorities 21,858,230 2,240,997 23,807,227 Public Street & Highway Lighting 1,859,934 651 1,850,935 Miss. Service Revenues 85,159 21,670 105,829 Miss. Service Revenues 6,320,946 33,131 511,423 Revenues from Transportation 6,320,946 - 6,320,946 Sales for Resale 21,318,284 - 1,240,939 Revenues 344,005,905 91,963,864 511,423 476,0192 Total Revenues 344,005,905 91,963,864 511,423 476,0192 Operation Expenses 215,979,818 57,009,438 203,958 273,183,210 Operation Expenses 31,720,642 2,060,388 10,843 33,701,673 Operation Expense 31,720,442 2,060,388 10,843 33,701,673 Operation Expense 31,720,442 2,060,388 10,843 33,701,673 Operation Expenses 31,720,442 2,060,388 10,843 33,701,673 Operation Expenses 31,720,443 4,545,624 <td></td> <td></td> <td>20,721,206</td> <td>-</td> <td>135,021,967</td>			20,721,206	-	135,021,967
Public Street & Highway Lighting 1,669,934 951 1,600,885 Inter-Departmental Sales 88,159 21,670 1,602,885 Misc. Service Revenues (1,308,818) 33,313 511,423 (764,264) Sales for Resale 21,318,284 - 6,320,946 6,820,946 6,820,946 Sales for Resale 21,318,284 - 1,040,983 276 1,040,983 2016 4,760,192 1,040,983 276 1,040,983 2016 4,760,192 1,040,983 205 1,640,192 4,760,192 1,040,983 203,686 511,423 456,491,192 4,760,192 1,040,983 203,686 511,423 456,491,192 4,760,192 200,192 4,760,192 4		• •		-	54,460,555
Inter-Departmental Sales 85,569 21,670 - 106,829 10,808. Service Revenues 01,308,818 33,13 5114,23 (764,264) Revenues from Transportation - 6,320,946 - 6,320,946 - 221,318,264 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,264 - 1,040,939 - 21,318,241 -				-	23,897,227
Misc. Service Revenues (1,308,818) 33,131 511,423 (764,286) Revenues from Transportation 6,320,946 76,320,				-	1,660,885
Revenues from Transportation 2,1318,284 3,20,946	•	•	•	-	106,829
Sales for Resale 21,318,284 2,21318,284 2,21318,284 2,21318,284 2,1040,633 2,76 1,040,839 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,76 1,040,839 2,77,193,210 2,76 2,77,193,210 2,77,193,210 2,77,193,210 2,77,193,210 2,77,193,210 2,77,193,210 2,78,1748 2,78,1748 4,78,1748		(1,308,818)		511,423	
Reints from Property	• • • • • • • • • • • • • • • • • • •		6,320,946	-	
Total Revenues				-	
Total Revenues	·			-	
Description Expenses Supersection Supersectio					
Operation Expense 215,979,816 57,009,438 203,988 273,192,210 Maintenance Expense 30,485,825 12,682,943 10,843 33,791,873 Depreciation Expense 30,485,825 11,843,664 918,082 2,761,746 Amortization and Depletion 1,843,664 918,082 22,761,746 Taxes Other than Income Taxes 9,914,454 43,7624 43,526 14,505,606 Income Taxes - Federal & Other (16,751,944) 6,379,543 23,398 (10,349,003) Provision for Deferred Income Taxes - Net 30,377,045 (3,103,686) 820,670 28,094,549 Investment Tax Credit Adjustment - 128 (128) 1,02,267 385,116,947 NET OPERATING INCOME 40,438,903 31,591,76 (590,844) 51,367,235 NET OPERATING INCOME 40,438,903 11,591,76 (590,844) 51,367,235 Nevenues from Merchandising, Jobbing and Contract Work - - 946,408 946,408 Less Expenses of Merchandising, Jobbing and Contract Work - - (20,213) (29,213) </td <td>Total Revenues</td> <td>344,008,905</td> <td>91,963,854</td> <td>511,423</td> <td>436,484,182</td>	Total Revenues	344,008,905	91,963,854	511,423	436,484,182
Maintenance Expense 31,720,642 2,060,388 10,843 33,791,873 Depreciation Expense 30,485,825 12,632,943 43,18,768 43,18,768 Amortization and Depletion 1,843,684 918,082 2,761,746 74,767 Taxes Other than Income Taxes 9,914,454 4,547,824 43,526 14,505,804 Income Taxes - Federal & Other (16,751,944) 6,379,543 23,398 (10,346,003) Provision for Deferred Income Taxes - Net 30,377,545 (3,103,666) 820,670 28,094,549 Investment Tax Credit Adjustment - 128 (128) (128) Total Operating Expenses 303,570,002 80,444,678 1,102,267 385,116,847 NET OPERATING INCOME 40,438,903 11,519,176 (590,844) 51,367,235 Other Income & Deductions - - 946,408 946,408 Revenues from Merchandising, Jobbing and Contract Work - - (292,213) (292,213) Revenues from Nonutility Operations - - (292,366) 987,663 987,663					
Depreciation Expense	·			•	273,193,210
Amortization and Depletion 1,843,684 41,802 2,761,746 Taxes Other than Income Taxes 9,914,454 4,547,824 43,256 14,505,804 Income Taxes - Federal & Other (16,751,944) 6,379,543 23,398 (10,349,003) Provision for Deferred Income Taxes - Net 30,377,545 (3,103,666) 80,0670 28,094,549 Investment Tax Credit Adjustment 128 (128) (128) (128) Total Operating Expenses 303,570,002 80,444,678 1,102,267 385,116,947 NET OPERATING INCOME 40,438,903 11,519,176 (590,844) 51,367,235 Other Income & Deductions Revenues from Merchandising, Jobbing and Contract Work - - 46,408 946,408 Revenues from Merchandising, Jobbing and Contract Work - - (292,213) (292,213) Revenues from Merchandising, Jobbing and Contract Work - - (25,550) (25,350) Less: Expenses of Merchandising, Jobbing and Contract Work - - 987,663 987,663 Revenues from Nontility Operations - - <td></td> <td>· ·</td> <td></td> <td>10,843</td> <td>33,791,873</td>		· ·		10,843	33,791,873
Taxes Other than Income Taxes					
Income Taxes - Federal & Other			•		
Provision for Deferred Income Taxes - Net Investment Tax Credit Adjustment Tax Credit Ta				•	
Total Operating Expenses 303,570,002 80,444,678 1,102,267 385,116,947				•	
NET OPERATING INCOME 40,438,903 11,519,176 (590,844) 51,367,235		30,377,545		•	28,094,549
NET OPERATING INCOME 40,438,903 11,519,176 (590,844) 51,367,235 Other Income & Deductions Revenues from Merchandising, Jobbing and Contract Work - - 946,408 946,408 Less: Expense of Merchandising, Jobbing and Contract Work - - (292,213) (292,213) Revenues from Nonutility Operations - - (25,350) (25,350) (25,350) Less Expenses from Nonutility Operations - - 987,663 987,663 987,663 AFUDC 1,274,670 368,410 - 1,643,080 63 AFUDC - - - 43,381 43,381 43,381 Loss on Disposition of Property - - 43,381 43,381 Loss on Disposition of Property - - - (15,685) (15,685) (15,685) (15,685) (15,685) (15,685) (15,685) (15,685) (15,685) (15,685) (10,3569) (103,569) (103,569) (103,569) (103,569) (103,569) (103,569) (103,569) (103,569) (103,569) <td>The state of the s</td> <td></td> <td></td> <td></td> <td>-</td>	The state of the s				-
Common C	total Operating Expenses	303,570,002	80,444,678	1,102,267	385,116,947
Revenues from Merchandising, Jobbing and Contract Work - 946,408 946,408 Less: Expense of Merchandising, Jobbing and Contract Work - - (292,213) (292,213) Revenues from Nonutility Operations - - (25,350) Less Expenses from Nonutility Operations - - - Interest & Dividend Income - - 987,663 987,663 AFUDC 1,274,670 368,410 - 1,643,080 Cain on Disposition of Property - - 43,381 43,381 Loss on Disposition of Property - - (15,685) (15,685) Misc. Income Deductions - - (2,397,737)	NET OPERATING INCOME	40,438,903	11,519,176	(590,844)	51,367,235
Less: Expense of Merchandising, Jobbing and Contract Work - (292,213) (292,213) Revenues from Nonutility Operations - - (25,350) (25,350) Less Expenses from Nonutility Operations - - - 987,663 987,663 Interest & Dividend Income - - 987,663 987,663 AFUDC 1,274,670 368,410 - 1,643,080 Gain on Disposition of Property - - 43,381 43,381 Loss on Disposition of Property - - (15,685) (16,585) (13,382) (13,382) (17,239) (13,382) (17,239,7737) <td></td> <td></td> <td></td> <td></td> <td></td>					
Revenues from Nonutility Operations		-	-	946,408	946,408
Less Expenses from Nonutility Operations		-	-	(292,213)	(292,213)
Interest & Dividend Income	· · · · · · · · · · · · · · · · · · ·	-	-	(25,350)	(25,350)
AFUDC Gain on Disposition of Property		-	-	-	-
Gain on Disposition of Property - - 43,381 43,381 Loss on Disposition of Property - - (15,685) (15,685) Misc. Income Deductions - - (2,397,737) (2,397,737) Taxes Other than Income Taxes - - (103,569) (103,569) Income Taxes - Federal & Other - - (4,383,201) (4,383,201) Provision for Deferred Income Taxes - Net - - 3,713,141 3,713,141 Total Other Income & Deductions 1,274,670 368,410 (1,527,162) 115,918 Interest Charges Interest on Long Term Debt (9,958,429) (4,088,559) 745,672 (13,301,316) Amortization of Debt Disc. And Expense (445,784) (183,022) 33,380 (595,426) Amortization of Loss on Reacquired Debt (199,504) (81,909) 14,939 (266,474) Interest con Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit 528,950 <td></td> <td></td> <td></td> <td>987,663</td> <td>•</td>				987,663	•
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Misc. Income Deductions - - (2,397,737) (2,397,737) Taxes Other than Income Taxes - - (103,569) (103,569) Income Taxes - Federal & Other - - (4,383,201) (4,383,201) Provision for Deferred Income Taxes - Net - - 3,713,141 3,713,141 Total Other Income & Deductions 1,274,670 368,410 (1,527,162) 115,918 Interest Charges Interest Charges Interest on Long Term Debt (9,958,429) (4,088,559) 745,672 (13,301,316) Amortization of Debt Disc. And Expense (445,784) (183,022) 33,380 (595,426) Amortization of Loss on Reacquired Debt (199,504) (81,909) 14,939 (266,474) Interest on Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit 528,950 118,779 - 647,729 Net interest Charges - - <td>· · · · · · · · · · · · · · · · · · ·</td> <td>-</td> <td>-</td> <td>·</td> <td>•</td>	· · · · · · · · · · · · · · · · · · ·	-	-	·	•
Taxes Other than Income Taxes - - (103,569) (103,569) Income Taxes - Federal & Other - - (4,383,201) (4,383,201) Provision for Deferred Income Taxes - Net - - 3,713,141 3,713,141 Total Other Income & Deductions 1,274,670 368,410 (1,527,162) 115,918 Interest Charges Interest Charges (9,958,429) (4,088,559) 745,672 (13,301,316) Amortization of Debt Disc. And Expense (445,784) (183,022) 33,380 (595,426) Amortization of Loss on Reacquired Debt (199,504) (81,909) 14,939 (266,474) Interest on Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit 528,950 118,779 - 647,729 Net interest Charges - - - - - - - - - - -<	· · ·	•	-	, , ,	
Income Taxes - Federal & Other - - (4,383,201) (-	-	• • • •	
Provision for Deferred Income Taxes - Net Total Other Income & Deductions Interest Charges Interest on Long Term Debt Amortization of Debt Disc. And Expense Amortization of Loss on Reacquired Debt Interest on Debt to Assoc. Co. Other Interest Expense Less: Allowance for Borrowed Fund Used During Construction - Credit Net interest Charges Extraordinary Items after Taxes - 3,713,141 1,527,162) 1,52		-	-		
Interest Charges Interest Charges (9,958,429) (4,088,559) 745,672 (13,301,316) Amortization of Debt Disc. And Expense (445,784) (183,022) 33,380 (595,426) Amortization of Loss on Reacquired Debt (199,504) (81,909) 14,939 (266,474) Interest on Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit 528,950 118,779 - 647,729 Net interest Charges (11,353,109) (4,759,551) 889,712 (15,222,948) Extraordinary Items after Taxes - </td <td></td> <td>-</td> <td>-</td> <td></td> <td>• • • •</td>		-	-		• • • •
Interest Charges (9,958,429) (4,088,559) 745,672 (13,301,316) Amortization of Debt Disc. And Expense (445,784) (183,022) 33,380 (595,426) Amortization of Loss on Reacquired Debt (199,504) (81,909) 14,939 (266,474) Interest on Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit 528,950 118,779 - 647,729 Net interest Charges (11,353,109) (4,759,551) 889,712 (15,222,948) Extraordinary Items after Taxes - <td< td=""><td></td><td>4.074.070</td><td>200 440</td><td></td><td></td></td<>		4.074.070	200 440		
Interest on Long Term Debt (9,958,429) (4,088,559) 745,672 (13,301,316) Amortization of Debt Disc. And Expense (445,784) (183,022) 33,380 (595,426) Amortization of Loss on Reacquired Debt (199,504) (81,909) 14,939 (266,474) Interest on Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit 528,950 118,779 - 647,729 Net interest Charges (11,353,109) (4,759,551) 889,712 (15,222,948) Extraordinary Items after Taxes - - - - - -	Total Other Income & Deductions	1,274,670	368,410	(1,527,162)	115,918
Amortization of Debt Disc. And Expense (445,784) (183,022) 33,380 (595,426) Amortization of Loss on Reacquired Debt (199,504) (81,909) 14,939 (266,474) Interest on Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit (1,353,109) (4,759,551) 889,712 (15,222,948) Extraordinary Items after Taxes					
Amortization of Loss on Reacquired Debt (199,504) (81,909) 14,939 (266,474) Interest on Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit 528,950 118,779 - 647,729 Net interest Charges (11,353,109) (4,759,551) 889,712 (15,222,948) Extraordinary Items after Taxes		(9,958,429)	(4,088,559)	745,672	(13,301,316)
Interest on Debt to Assoc. Co. (185,788) (76,278) 13,912 (248,154) Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit 528,950 118,779 - 647,729 Net interest Charges (11,353,109) (4,759,551) 889,712 (15,222,948) Extraordinary Items after Taxes	Amortization of Debt Disc. And Expense	(445,784)	(183,022)	33,380	(595,426)
Other Interest Expense (1,092,554) (448,562) 81,809 (1,459,307) Less: Allowance for Borrowed Fund Used During Construction - Credit Net interest Charges 528,950 118,779 - 647,729 Net interest Charges (11,353,109) (4,759,551) 889,712 (15,222,948) Extraordinary Items after Taxes -		(199,504)	(81,909)	14,939	(266,474)
Less: Allowance for Borrowed Fund Used During Construction - Credit Net interest Charges 528,950 (11,353,109) 118,779 (4,759,551) - 647,729 (15,222,948) Extraordinary Items after Taxes -		(185,788)	(76,278)	13,912	(248,154)
Net interest Charges (11,353,109) (4,759,551) 889,712 (15,222,948) Extraordinary Items after Taxes - - - - - -	•	(1,092,554)	(448,562)	81,809	(1,459,307)
Extraordinary Items after Taxes	· · · · · · · · · · · · · · · · · · ·				
	Net interest Charges	(11,353,109)	(4,759,551)	889,712	(15,222,948)
NET INCOME 30,360,464 7,128,035 (1,228,294) 36,260,205	Extraordinary Items after Taxes	-			
	NET INCOME ,	30,360,464	7,128,035	(1,228,294)	36,260,205

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements Capital Structure March 31, 2017 (Unaudited)

	Actual Feb-17	Activity	Actual Mar-17
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	334,923,231	16,668	334,939,899
Advances from Associated Companies	25,000,000		25,000,000
Obligations under Capital Lease-Noncurrent	1,413,596	(24,351)	1,389,245
Total Long-term debt	361,336,827	(7,683)	361,329,144
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)
Miscellaneous PIC	-	-	` -
Unappropriated Retained Earnings Balance	260,741,369	_	260,741,369
Unappropriated Retained Earnings - Current Year Net Income	10,104,566	2,309,302	12,413,868
Total Common Stock Equity	447,120,065	2,309,302	449,429,367
· ·			
TOTAL CAPITALIZATION	808,456,892	2,301,619	810,758,511

NOTE:

^{* &}quot;Long-Term Debt" under Non-Current Liabilities does not included current portion of Long-Term Debt, Unamortized Discount, nor Unamortized Debt Expense.