



139 East Fourth Street  
1303-Main  
Cincinnati, Ohio 45202

o: 513-287-4320  
f: 513-287-4385

Rocco.D'Ascenzo@duke-energy.com  
Rocco O. D'Ascenzo  
Deputy General Counsel

VIA EMAIL: [PSCED@ky.gov](mailto:PSCED@ky.gov)

RECEIVED

MAR 12 2021

PUBLIC SERVICE  
COMMISSION

March 12, 2021

Ms. Linda Bridwell  
Executive Director  
Kentucky Public Service Commission  
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 Ms. Bridwell:

Enclosed please find Duke Energy Kentucky, Inc.'s financial statements for the end of January 2021, per order by the Commission in the above-referenced case.

The original copy will be filed with the Commission within 30 days of the lifting of the current state of emergency. 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 Charquele Simien at (980) 373-6856.

Sincerely,

*/s/Rocco D'Ascenzo*

Rocco D'Ascenzo

Enclosure

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 1  
As of January 31, 2021  
(Unaudited)

	<u>Total Company</u>
<u>Assets</u>	
Utility Plant in Service	2,886,527,466
Construction Work in Progress	76,717,813
Less: Accumulated Depreciation	<u>(1,050,209,430)</u>
Net Utility Plant	<u>1,913,035,849</u>
Nonutility Property	1,220,439
Other Investments	1,500
Other Special Funds	12,829,565
Long Term Portion of Derivative Instrument Assets	317,782
Total Other Property & Investments	<u>14,369,286</u>
Cash	855,827
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	6,012,807
Other Accounts Receivable	2,018,458
Less: Provision for Uncollectibles	(330,906)
Notes Receivable from Assoc. Co.	23,679,252
Accounts Receivable from Assoc. Co.	3,257,593
Fuel Stock	29,219,594
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	17,999,062
Other Materials & Supplies	-
Stores Expense Undistributed	31,108
Prepayments	1,537,414
Emission Allowances	19,838
Derivative Instrument Assets	1,061,596
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	7,583,616
Accrued Utility Revenue	-
Rents Receivable	22,776
Total Current & Accrued Assets	<u>92,968,035</u>
Unamortized Debt Expense	3,069,135
Other Regulatory Assets	136,376,428
Preliminary Survey & Investigation	489,277
Clearing Accounts	9,848
Temporary Facilities	11,229
Miscellaneous Deferred Debits	2,240,604
Unamortized Loss on Reacquired Debt	506,977
Accumulated Deferred Income Taxes	73,220,723
Unrecovered Purchased Gas Costs	(4,431,025)
Total Deferred Debits	<u>211,493,196</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>2,231,866,366</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 2  
As of January 31, 2021  
(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	223,655,189
Retained Earnings	477,250,390
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	<u>728,524,520</u>
<u>Liabilities</u>	
Bonds	706,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(185,279)
Total Long-Term Debt	<u>731,534,721</u>
Obligations Under Capital Leases - Noncurrent	8,670,910
Asset Retirement Obligation	76,142,693
Long-Term Portion of Derivative Instrument Liabilities	5,290,232
Accum. Misc. Operating Provisions	31,322,689
Total Other Noncurrent Liabilities	<u>121,426,524</u>
Accounts Payable	37,155,021
Notes Payable to Assoc. Co.	78,847,000
Accounts Payable to Assoc. Co.	14,972,220
Customer Deposits	9,062,353
Taxes Accrued	17,643,137
Interest Accrued	6,970,535
Tax Collections Payable	2,355,848
Misc. Current & Accrued Liabilities	8,045,128
Obligations Under Capital Leases - Current	294,948
Derivative Instrument Liabilities	6,298,964
Less: Long-Term Portion of Derivative Instrument Liabilities	(5,290,232)
Total Current & Accrued Liabilities	<u>176,354,922</u>
Customer Advances for Construction	1,595,027
Accum. Deferred Investment Tax Credits	3,618,035
Other Deferred Credits	14,521,964
Other Regulatory Liabilities	138,688,796
Accumulated Deferred Income Taxes	315,601,857
Total Deferred Credits	<u>474,025,679</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>2,231,866,366</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Income Statement  
For the 12 Months Ended January 31, 2021  
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	138,146,332	67,067,851	205,214,183
Commercial Sales	122,720,848	23,162,340	145,883,188
Industrial Sales	55,142,506	1,693,822	56,836,328
Sales to Public Authorities	14,107,780	1,247,637	15,355,417
Public Street & Highway Lighting	1,646,699	-	1,646,699
Inter-Departmental Sales	47,471	22,232	69,703
Misc. Service Revenues	(801,469)	908,719	107,250
Revenues from Transportation	-	6,312,950	6,312,950
Sales for Resale	10,033,967	-	10,033,967
Rents from Property	1,455,798	-	1,455,798
Other Revenues	5,434,277	54,530	5,488,807
Total Revenues	<u>347,934,209</u>	<u>100,470,081</u>	<u>448,404,290</u>
<u>Operating Expenses</u>			
Operation Expense	188,801,927	48,681,001	237,482,928
Maintenance Expense	32,881,346	1,849,522	34,730,868
Depreciation Expense	50,336,169	15,843,593	66,179,762
Amortization and Depletion	3,669,586	3,917,806	7,587,392
Taxes Other than Income Taxes	13,138,845	3,733,609	16,872,454
Income Taxes - Federal & Other	(168,822)	2,485,522	2,316,700
Provision for Deferred Income Taxes - Net	5,385,835	1,345,693	6,731,528
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>294,044,886</u>	<u>77,856,746</u>	<u>371,901,632</u>
NET OPERATING INCOME	<u>53,889,323</u>	<u>22,613,335</u>	<u>76,502,658</u>
<u>Other Income &amp; Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,324,218	-	1,324,218
Less: Expense of Merchandising, Jobbing and Contract Work	(89,891)	-	(89,891)
Revenues from Nonutility Operations	1,006,463	(2,239)	1,004,224
Interest & Dividend Income	699,222	225,173	924,395
AFUDC	(600,663)	374,899	(225,764)
Gain on Disposition of Property	-	-	-
Loss on Disposition of Property	-	-	-
Misc. Income Deductions	(1,215,270)	(685,143)	(1,900,413)
Taxes Other than Income Taxes	(13,104)	(23,755)	(36,859)
Income Taxes - Federal & Other	(2,826,352)	100,921	(2,725,431)
Provision for Deferred Income Taxes - Net	2,149,091	(83,482)	2,065,609
Total Other Income & Deductions	<u>433,714</u>	<u>(93,626)</u>	<u>340,088</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(17,717,440)	(7,039,757)	(24,757,197)
Amortization of Debt Disc. And Expense	(333,480)	(78,247)	(411,727)
Amortization of Loss on Reacquired Debt	(116,738)	(48,644)	(165,382)
Interest on Debt to Assoc. Co.	(436,138)	(192,886)	(629,024)
Other Interest Expense	(1,286,832)	(17,299)	(1,304,131)
Less: Allowance for Borrowed Fund Used During Construction - Credit	(402,400)	309,282	(93,118)
Net interest Charges	<u>(20,293,028)</u>	<u>(7,067,551)</u>	<u>(27,360,579)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>34,030,009</u>	<u>15,452,158</u>	<u>49,482,167</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Capital Structure  
January 31, 2021  
(Unaudited)

	Actual 12/31/2020	Activity	Actual 1/31/2021
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	653,796,137	178,908	653,975,045
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,696,322	(25,412)	8,670,910
Total Long-term debt	687,492,459	153,496	687,645,955
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	75,000,000	-	75,000,000
Unappropriated Retained Earnings Balance	418,819,464	48,143,296	466,962,760
Unappropriated Retained Earnings - Current Year Net Income	48,143,296	(37,855,666)	10,287,630
Total Common Stock Equity	718,236,890	10,287,630	728,524,520
TOTAL CAPITALIZATION	1,405,729,348	10,441,126	1,416,170,475

NOTE:

\* "Long-Term Debt" under Non-Current Liabilities does not include current portion of Long-Term Debt, Unamortized Discount, nor Unamortized Debt Expense.

\*\* "Obligations under Capital Lease Noncurrent includes \$9.2M of lease liabilities resulting from the implementation of ASC 842 in January 2019.