



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

July 15, 2021

Ms. Linda Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RECEIVED

JUL 16 2021

PUBLIC SERVICE
COMMISSION

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 May 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 May 31, 2021

(Unaudited)

	<u>Total Company</u>
<u>Assets</u>	
Utility Plant in Service	2,902,876,550
Construction Work in Progress	94,163,908
Less: Accumulated Depreciation	<u>(1,066,987,499)</u>
Net Utility Plant	<u>1,930,052,959</u>
Nonutility Property	1,220,439
Other Investments	1,500
Other Special Funds	14,091,526
Long Term Portion of Derivative Instrument Assets	317,782
Total Other Property & Investments	<u>15,631,247</u>
Cash	5,317,774
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	6,142,934
Other Accounts Receivable	2,064,999
Less: Provision for Uncollectibles	(342,465)
Notes Receivable from Assoc. Co.	12,764,799
Accounts Receivable from Assoc. Co.	(2,778,510)
Fuel Stock	23,087,944
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	17,837,700
Other Materials & Supplies	-
Stores Expense Undistributed	130,758
Prepayments	791,000
Emission Allowances	19,617
Derivative Instrument Assets	3,323,366
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	7,297,581
Accrued Utility Revenue	-
Rents Receivable	19,253
Total Current & Accrued Assets	<u>75,676,750</u>
Unamortized Debt Expense	2,994,312
Other Regulatory Assets	136,275,994
Preliminary Survey & Investigation	351,570
Clearing Accounts	61,282
Temporary Facilities	4,464
Miscellaneous Deferred Debits	2,377,488
Unamortized Loss on Reacquired Debt	466,069
Accumulated Deferred Income Taxes	71,769,184
Unrecovered Purchased Gas Costs	<u>(2,795,583)</u>
Total Deferred Debits	<u>211,504,780</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>2,232,865,736</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of May 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	495,132,202
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	<u>746,406,332</u>
<u>Liabilities</u>	
Bonds	706,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(181,192)
Total Long-Term Debt	<u>731,538,808</u>
Obligations Under Capital Leases - Noncurrent	8,567,658
Asset Retirement Obligation	76,373,294
Long-Term Portion of Derivative Instrument Liabilities	4,026,386
Accum. Misc. Operating Provisions	31,793,493
Total Other Noncurrent Liabilities	<u>120,760,831</u>
Accounts Payable	24,518,557
Notes Payable to Assoc. Co.	83,368,000
Accounts Payable to Assoc. Co.	15,443,868
Customer Deposits	8,854,539
Taxes Accrued	12,023,095
Interest Accrued	6,311,089
Tax Collections Payable	1,456,937
Misc. Current & Accrued Liabilities	7,195,192
Obligations Under Capital Leases - Current	303,094
Derivative Instrument Liabilities	5,031,009
Less: Long-Term Portion of Derivative Instrument Liabilities	(4,026,386)
Total Current & Accrued Liabilities	<u>160,478,994</u>
Customer Advances for Construction	1,643,017
Accum. Deferred Investment Tax Credits	3,602,741
Other Deferred Credits	14,209,302
Other Regulatory Liabilities	135,567,432
Accumulated Deferred Income Taxes	318,658,279
Total Deferred Credits	<u>473,680,771</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>2,232,865,736</u></u>

Duke Energy Kentucky, Inc.

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

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	144,254,708	70,892,033	215,146,741
Commercial Sales	130,051,766	25,949,058	156,000,824
Industrial Sales	55,556,510	1,814,155	57,370,665
Sales to Public Authorities	10,066,989	736,808	10,803,797
Public Street & Highway Lighting	1,665,255	-	1,665,255
Inter-Departmental Sales	45,820	26,861	72,681
Misc. Service Revenues	(122,293)	994,902	872,609
Revenues from Transportation	-	6,668,646	6,668,646
Sales for Resale	14,045,897	-	14,045,897
Rents from Property	1,483,446	-	1,483,446
Other Revenues	8,246,719	54,448	8,301,167
Total Revenues	<u>365,294,817</u>	<u>107,136,911</u>	<u>472,431,728</u>
<u>Operating Expenses</u>			
Operation Expense	202,028,577	53,718,270	255,746,847
Maintenance Expense	30,898,392	1,999,551	32,897,943
Depreciation Expense	50,884,864	17,193,146	68,078,010
Amortization and Depletion	3,755,664	4,206,743	7,962,407
Taxes Other than Income Taxes	13,908,516	3,973,990	17,882,506
Income Taxes - Federal & Other	2,850,195	1,920,866	4,771,061
Provision for Deferred Income Taxes - Net	3,979,130	1,376,907	5,356,037
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>308,305,338</u>	<u>84,389,473</u>	<u>392,694,811</u>
NET OPERATING INCOME	<u>56,989,479</u>	<u>22,747,438</u>	<u>79,736,917</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,413,881	1	1,413,882
Less: Expense of Merchandising, Jobbing and Contract Work	(130,143)	-	(130,143)
Revenues from Nonutility Operations	972,004	(2,285)	969,719
Interest & Dividend Income	686,876	209,599	896,475
AFUDC	(717,480)	251,117	(466,363)
Gain on Disposition of Property	-	-	-
Loss on Disposition of Property	23,647	-	23,647
Misc. Income Deductions	(1,309,000)	(650,360)	(1,959,360)
Taxes Other than Income Taxes	(43,633)	(14,636)	(58,269)
Income Taxes - Federal & Other	(2,262,643)	139,863	(2,122,780)
Provision for Deferred Income Taxes - Net	1,669,699	(57,162)	1,612,537
Total Other Income & Deductions	<u>303,208</u>	<u>(123,863)</u>	<u>179,345</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(17,854,657)	(7,381,983)	(25,236,640)
Amortization of Debt Disc. And Expense	(391,459)	(81,227)	(472,686)
Amortization of Loss on Reacquired Debt	(98,041)	(41,756)	(139,797)
Interest on Debt to Assoc. Co.	(143,404)	(61,048)	(204,452)
Other Interest Expense	(1,490,760)	(6,482)	(1,497,242)
Less: Allowance for Borrowed Fund Used During Construction - Credit	(615,514)	117,929	(497,585)
Net interest Charges	<u>(20,593,835)</u>	<u>(7,454,567)</u>	<u>(28,048,402)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>36,698,852</u>	<u>15,169,008</u>	<u>51,867,860</u>

Duke Energy Kentucky, Inc.

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

	Actual 4/30/2021	Activity	Actual 5/31/2021
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	654,046,079	23,678	654,069,757
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,593,878	(26,220)	8,567,658
Total Long-term debt	687,639,957	(2,542)	687,637,415
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	466,962,760	-	466,962,760
Unappropriated Retained Earnings - Current Year Net Income	24,854,929	3,314,514	28,169,443
Total Common Stock Equity	743,091,819	3,314,514	746,406,333
TOTAL CAPITALIZATION	1,430,731,776	3,311,972	1,434,043,748

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.