



139 East Fourth Street-1303-Main  
Cincinnati, Ohio 45202  
Tel: 513-287-4320  
Fax: 513-287-4385  
Rocco.D'Ascenzo@duke-energy.com

Rocco O. D'Ascenzo  
Deputy General Counsel

**VIA EMAIL DELIVERY**

RECEIVED

November 15, 2021

NOV 15 2021

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

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's financial statements for the end of September 2021, per order by the Commission in the above-referenced case.

If you have any questions regarding the financial statements, please contact Charquele Simien at (980) 373-6856.

Very Truly Yours,

/s/Rocco O. D'Ascenzo

Rocco O. D'Ascenzo

Enclosures

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 1  
As of September 30, 2021  
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,159,063,670	757,035,018	43,579,961	2,959,678,649
Construction Work in Progress	68,915,512	21,255,673	-	90,171,185
Less: Accumulated Depreciation	(867,475,066)	(204,099,958)	(8,445,768)	(1,080,020,792)
Net Utility Plant	<u>1,360,504,116</u>	<u>574,190,733</u>	<u>35,134,193</u>	<u>1,969,829,042</u>
Nonutility Property	-	-	1,247,563	1,247,563
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	15,083,254	15,083,254
Long Term Portion of Derivative Instrument Assets	-	-	200,834	200,834
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>16,533,151</u>	<u>16,533,151</u>
Cash	6,098,287	2,503,729	(456,630)	8,145,386
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	8,275,675	2,368,662	-	10,644,337
Other Accounts Receivable	1,567,088	643,388	(117,341)	2,093,135
Less: Provision for Uncollectibles	(248,367)	(71,088)	-	(319,455)
Notes Receivable from Assoc. Co.	8,720,301	3,580,229	(652,963)	11,647,567
Accounts Receivable from Assoc. Co.	(848,044)	(348,175)	63,500	(1,132,719)
Fuel Stock	18,977,760	1,730,481	3,213,750	23,921,991
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	16,431,255	374,986	-	16,806,241
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	544,308	12,422	-	556,730
Prepayments	(215,206)	(101,879)	-	(317,085)
Emission Allowances	19,215	-	-	19,215
Derivative Instrument Assets	4,187,833	-	-	4,187,833
Interest & Dividends Receivable	-	-	-	-
Misc Current and Accrued Assets	3,396,282	3,708,248	-	7,104,530
Rents Receivable	11,612	-	-	11,612
Total Current & Accrued Assets	<u>66,917,999</u>	<u>14,401,003</u>	<u>2,050,316</u>	<u>83,369,318</u>
Unamortized Debt Expense	2,104,131	863,878	(157,554)	2,810,455
Other Regulatory Assets	119,971,518	18,469,222	-	138,440,740
Preliminary Survey & Investigation	287,200	117,914	(21,506)	383,608
Clearing Accounts	71,334	29,600	-	100,934
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	1,936,023	794,857	(144,966)	2,585,914
Unamortized Loss on Reacquired Debt	318,311	130,686	(23,835)	425,162
Accumulated Deferred Income Taxes	51,362,875	16,563,170	-	67,926,045
Unrecovered Purchased Gas Costs	-	361,996	-	361,996
Total Deferred Debits	<u>176,051,392</u>	<u>37,331,323</u>	<u>(347,861)</u>	<u>213,034,854</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><u>1,603,473,507</u></u>	<u><u>625,923,059</u></u>	<u><u>53,369,799</u></u>	<u><u>2,282,766,365</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 2  
As of September 30, 2021  
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Proprietary Capital</u>				
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	204,880,167	84,116,132	(15,341,110)	273,655,189
Retained Earnings	308,838,668	116,224,639	86,263,043	511,326,350
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>534,396,584</u>	<u>208,830,281</u>	<u>69,373,615</u>	<u>812,600,480</u>
<u>Liabilities</u>				
Bonds	529,107,129	217,231,594	(39,618,723)	706,720,000
Advances from Associated Companies	18,717,000	7,684,500	(1,401,500)	25,000,000
Unamortized Premium on Long-Term Debt	-	-	-	-
Less: Unamortized Discount on Long-Term Debt	(132,594)	(54,438)	9,928.00	(177,104)
Total Long-Term Debt	<u>547,691,535</u>	<u>224,861,656</u>	<u>(41,010,295)</u>	<u>731,542,896</u>
Obligations Under Capital Leases - Noncurrent	5,998,032	2,462,531	-	8,460,563
Asset Retirement Obligation	67,236,839	8,993,508	-	76,230,347
Long-Term Portion of Derivative Instrument Liabilities	2,677,021	1,110,823	-	3,787,844
Accum. Misc. Operating Provisions	22,149,768	9,190,991	-	31,340,759
Total Other Noncurrent Liabilities	<u>98,061,660</u>	<u>21,757,853</u>	<u>-</u>	<u>119,819,513</u>
Accounts Payable	23,393,050	9,604,311	(1,751,635)	31,245,726
Notes Payable to Assoc. Co.	38,886,440	15,965,317	(2,911,756)	51,940,001
Accounts Payable to Assoc. Co.	13,564,347	5,569,013	(1,015,677)	18,117,683
Customer Deposits	5,281,857	3,552,158	-	8,834,015
Taxes Accrued	9,396,305	3,146,924	(59,937)	12,483,292
Interest Accrued	4,718,782	1,937,355	(353,335)	6,302,802
Tax Collections Payable	1,482,678	417,744	12,549	1,912,971
Misc. Current & Accrued Liabilities	6,959,171	2,887,690	-	9,846,861
Obligations Under Capital Leases - Current	220,797	90,650	-	311,447
Derivative Instrument Liabilities	3,391,596	1,407,335	-	4,798,931
Less: Long-Term Portion of Derivative Instrument Liabilities	(2,677,021)	(1,110,823)	-	(3,787,844)
Total Current & Accrued Liabilities	<u>104,618,002</u>	<u>43,467,674</u>	<u>(6,079,791)</u>	<u>142,005,885</u>
Customer Advances for Construction	-	1,645,440	-	1,645,440
Accum. Deferred Investment Tax Credits	396,205	336,546	2,839,403	3,572,154
Other Deferred Credits	10,935,956	3,480,016	-	14,415,972
Other Regulatory Liabilities	87,384,446	43,793,703	-	131,178,149
Accumulated Deferred Income Taxes	219,989,119	77,749,890	28,246,867	325,985,876
Total Deferred Credits	<u>318,705,726</u>	<u>127,005,595</u>	<u>31,086,270</u>	<u>476,797,591</u>
<b>TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS</b>	<u><u>1,603,473,507</u></u>	<u><u>625,923,059</u></u>	<u><u>53,369,799</u></u>	<u><u>2,282,766,365</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Income Statement  
For the 12 Months Ended September 30, 2021  
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	150,179,205	71,717,298		221,896,503
Commercial Sales	135,674,765	26,806,212		162,480,977
Industrial Sales	56,251,704	1,864,028		58,115,732
Sales to Public Authorities	8,920,912	722,273		9,643,185
Public Street & Highway Lighting	1,667,342	-		1,667,342
Inter-Departmental Sales	45,883	26,996		72,879
Misc. Service Revenues	449,297	22,230	1,053,171	1,524,698
Revenues from Transportation	-	6,862,549		6,862,549
Sales for Resale	17,809,710	-		17,809,710
Rents from Property	1,476,294	-		1,476,294
Other Revenues	8,835,630	63,937		8,899,567
Total Revenues	<u>381,310,742</u>	<u>108,085,523</u>	<u>1,053,171</u>	<u>490,449,436</u>
<u>Operating Expenses</u>				
Operation Expense	217,324,583	54,156,687	93,808	271,575,078
Maintenance Expense	30,868,390	2,049,102	57,287	32,974,779
Depreciation Expense	51,142,011	17,659,633	-	68,801,644
Amortization and Depletion	3,662,421	4,320,531	-	7,982,952
Taxes Other than Income Taxes	14,558,246	4,101,779	123,213	18,783,238
Income Taxes - Federal & Other	(443,033)	761,681	56,369	375,017
Provision for Deferred Income Taxes - Net	8,492,946	2,708,258	(64,347)	11,136,857
Investment Tax Credit Adjustment	-	(95)	95	-
Total Operating Expenses	<u>325,605,564</u>	<u>85,757,576</u>	<u>266,425</u>	<u>411,629,565</u>
NET OPERATING INCOME	<u>55,705,178</u>	<u>22,327,947</u>	<u>786,746</u>	<u>78,819,871</u>
<u>Other Income &amp; Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	1,217,046	1,217,046
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(112,753)	(112,753)
Revenues from Nonutility Operations	-	-	940,582	940,582
Interest & Dividend Income	-	-	936,194	936,194
AFUDC	876,954	460,361		1,337,315
Gain on Disposition of Property	-	-	-	-
Loss on Disposition of Property	-	-	-	-
Misc. Income Deductions	-	-	(3,506,756)	(3,506,756)
Taxes Other than Income Taxes	-	-	(21,392)	(21,392)
Income Taxes - Federal & Other	-	-	(1,612,520)	(1,612,520)
Provision for Deferred Income Taxes - Net	-	-	1,374,464	1,374,464
Total Other Income & Deductions	<u>876,954</u>	<u>460,361</u>	<u>(785,135)</u>	<u>552,180</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(19,378,922)	(7,956,260)	1,451,064	(25,884,118)
Amortization of Debt Disc. And Expense	(399,109)	(163,859)	29,885	(533,083)
Amortization of Loss on Recquired Debt	(95,310)	(39,131)	7,137	(127,304)
Interest on Debt to Assoc. Co.	(112,873)	(46,341)	8,452	(150,762)
Other Interest Expense	(991,825)	(407,206)	74,266	(1,324,765)
Less: Allowance for Borrowed Fund Used During Construction - Credit	359,858	159,522	-	519,380
Net interest Charges	<u>(20,618,181)</u>	<u>(8,453,275)</u>	<u>1,570,804</u>	<u>(27,500,652)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>35,963,951</u>	<u>14,335,033</u>	<u>1,572,415</u>	<u>51,871,399</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Capital Structure  
September 30, 2021  
(Unaudited)

	Actual Aug-21	Activity	Actual Sep-21
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	654,140,791	23,678	654,164,469
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,487,720	(27,157)	8,460,563
Total Long-term debt	687,628,511	(3,479)	687,625,032
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	125,000,000	-	125,000,000
Unappropriated Retained Earnings Balance	466,962,760	-	466,962,760
Unappropriated Retained Earnings - Current Year Net Income	41,976,118	2,387,474	44,363,592
Total Common Stock Equity	810,213,008	2,387,474	812,600,482
TOTAL CAPITALIZATION	1,497,841,519	2,383,995	1,500,225,514

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.