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VIA EMAIL DELIVERY

January 14, 2022

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

RECEIVED
JAN 14 2022
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 November 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 November 30, 2021
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	2,989,612,647
Construction Work in Progress	101,569,382
Less: Accumulated Depreciation	(1,088,776,597)
Net Utility Plant	2,002,405,432
Nonutility Property	1,247,563
Other Investments	1,500
Other Special Funds	15,579,118
Long Term Portion of Derivative Instrument Assets	200,834
Total Other Property & Investments	17,029,015
Cash	6,855,716
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	5,960,613
Other Accounts Receivable	2,141,451
Less: Provision for Uncollectibles	(336,452)
Notes Receivable from Assoc. Co.	14,369,539
Accounts Receivable from Assoc. Co.	8,339,204
Fuel Stock	26,524,036
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	16,364,712
Other Materials & Supplies	-
Stores Expense Undistributed	417,349
Prepayments	3,044,994
Emission Allowances	19,189
Derivative Instrument Assets	4,187,832
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	11,683,470
Accrued Utility Revenue	-
Rents Receivable	19,307
Total Current & Accrued Assets	99,590,960
Unamortized Debt Expense	2,745,341
Other Regulatory Assets	142,522,641
Preliminary Survey & Investigation	386,027
Clearing Accounts	120,761
Temporary Facilities	(10,269)
Miscellaneous Deferred Debits	2,742,595
Unamortized Loss on Reacquired Debt	404,708
Accumulated Deferred Income Taxes	70,570,469
Unrecovered Purchased Gas Costs	3,985,735
Total Deferred Debits	223,468,008
TOTAL ASSETS AND OTHER DEBITS	2,342,493,415

Duke Energy Kentucky, Inc.

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

	Total Company
<u>Proprietary Capital</u>	
Common Stock Issued	8,779,995
Premium on Capital Stock	18,838,946
Other Paid-in Capital Stock	273,655,189
Retained Earnings	517,675,845
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	818,949,975
<u>Liabilities</u>	
Bonds	706,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(175,060)
Total Long-Term Debt	731,544,940
Obligations Under Capital Leases - Noncurrent	8,405,955
Asset Retirement Obligation	91,426,304
Long-Term Portion of Derivative Instrument Liabilities	3,787,844
Accum. Misc. Operating Provisions	31,833,911
Total Other Noncurrent Liabilities	135,454,014
Accounts Payable	51,545,676
Notes Payable to Assoc. Co.	80,672,000
Accounts Payable to Assoc. Co.	14,391,625
Customer Deposits	9,052,655
Taxes Accrued	12,779,058
Interest Accrued	6,270,463
Tax Collections Payable	2,035,567
Misc. Current & Accrued Liabilities	(5,884,290)
Obligations Under Capital Leases - Current	315,688
Derivative Instrument Liabilities	4,798,931
Less: Long-Term Portion of Derivative Instrument Liabilities	(3,787,844)
Total Current & Accrued Liabilities	172,189,529
Customer Advances for Construction	1,645,439
Accum. Deferred Investment Tax Credits	3,561,958
Other Deferred Credits	14,459,882
Other Regulatory Liabilities	130,339,248
Accumulated Deferred Income Taxes	334,348,430
Total Deferred Credits	484,354,957
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,342,493,415

Duke Energy Kentucky, Inc.

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

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	155,876,798	73,775,242	229,652,040
Commercial Sales	137,081,515	28,050,726	165,132,241
Industrial Sales	57,801,177	1,936,685	59,737,862
Sales to Public Authorities	11,781,427	912,331	12,693,758
Public Street & Highway Lighting	1,672,197	-	1,672,197
Inter-Departmental Sales	47,330	27,002	74,332
Misc. Service Revenues	753,972	1,115,958	1,869,930
Revenues from Transportation	-	6,981,404	6,981,404
Sales for Resale	17,736,579	-	17,736,579
Rents from Property	1,508,151	-	1,508,151
Other Revenues	8,490,090	61,537	8,551,627
Total Revenues	<u>392,749,236</u>	<u>112,860,885</u>	<u>505,610,121</u>
<u>Operating Expenses</u>			
Operation Expense	224,217,028	57,884,676	282,101,704
Maintenance Expense	32,534,593	2,077,776	34,612,369
Depreciation Expense	51,411,793	18,076,430	69,488,223
Amortization and Depletion	3,545,378	4,331,849	7,877,227
Taxes Other than Income Taxes	15,045,611	4,339,611	19,385,222
Income Taxes - Federal & Other	(3,336,928)	214,586	(3,122,342)
Provision for Deferred Income Taxes - Net	11,330,456	3,110,924	14,441,380
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>334,747,931</u>	<u>90,035,852</u>	<u>424,783,783</u>
NET OPERATING INCOME	<u>58,001,305</u>	<u>22,825,033</u>	<u>80,826,338</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,426,392	-	1,426,392
Less: Expense of Merchandising, Jobbing and Contract Work	(141,883)	-	(141,883)
Revenues from Nonutility Operations	923,340	(3,596)	919,744
Interest & Dividend Income	759,643	212,760	972,403
AFUDC	1,020,686	284,890	1,305,576
Gain on Disposition of Property	-	-	-
Loss on Disposition of Property	-	-	-
Misc. Income Deductions	(2,723,030)	(972,090)	(3,695,120)
Taxes Other than Income Taxes	(1,925)	(956)	(2,881)
Income Taxes - Federal & Other	(1,866,238)	214,847	(1,651,391)
Provision for Deferred Income Taxes - Net	1,409,749	(22,938)	1,386,811
Total Other Income & Deductions	<u>806,734</u>	<u>(287,083)</u>	<u>519,651</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(18,103,144)	(7,771,463)	(25,874,607)
Amortization of Debt Disc. And Expense	(468,963)	(88,344)	(557,307)
Amortization of Loss on Reacquired Debt	(85,053)	(37,671)	(122,724)
Interest on Debt to Assoc. Co.	(99,597)	(43,941)	(143,538)
Other Interest Expense	(1,299,939)	(5,237)	(1,305,176)
Less: Allowance for Borrowed Fund Used During Construction - Credit	394,665	75,178	469,843
Net interest Charges	<u>(19,662,031)</u>	<u>(7,871,478)</u>	<u>(27,533,509)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>39,146,008</u>	<u>14,666,472</u>	<u>53,812,480</u>

Duke Energy Kentucky, Inc.

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

	Actual 10/31/2021	Activity	Actual 11/30/2021
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	704,179,759	20,775	704,200,534
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,433,309	(27,354)	8,405,955
Total Long-term debt	<u>737,613,068</u>	<u>(6,579)</u>	<u>737,606,489</u>
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	46,016,997	4,696,088	50,713,085
Total Common Stock Equity	<u>814,253,887</u>	<u>4,696,088</u>	<u>818,949,975</u>
TOTAL CAPITALIZATION	1,551,866,955	4,689,509	1,556,556,464

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.