



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

March 17, 2022

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

RECEIVED
MAR 17 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 January 2022, 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 January 31, 2022
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,009,547,402
Construction Work in Progress	77,075,600
Less: Accumulated Depreciation	(1,065,380,172)
Net Utility Plant	2,021,242,830
Nonutility Property	1,247,563
Other Investments	1,500
Other Special Funds	16,435,901
Long Term Portion of Derivative Instrument Assets	111,502
Total Other Property & Investments	17,796,466
Cash	9,597,249
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	6,444,122
Other Accounts Receivable	1,722,949
Less: Provision for Uncollectibles	(320,227)
Notes Receivable from Assoc. Co.	37,705,196
Accounts Receivable from Assoc. Co.	6,727,759
Fuel Stock	30,110,827
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	16,847,190
Other Materials & Supplies	-
Stores Expense Undistributed	(5,835)
Prepayments	1,834,331
Emission Allowances	19,175
Derivative Instrument Assets	1,524,464
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	10,309,895
Accrued Utility Revenue	-
Rents Receivable	7,867
Total Current & Accrued Assets	122,524,962
Unamortized Debt Expense	2,690,165
Other Regulatory Assets	140,930,468
Preliminary Survey & Investigation	395,801
Clearing Accounts	44,853
Temporary Facilities	(8,940)
Miscellaneous Deferred Debits	2,265,298
Unamortized Loss on Reacquired Debt	384,254
Accumulated Deferred Income Taxes	70,722,124
Unrecovered Purchased Gas Costs	(1,467,283)
Total Deferred Debits	215,956,740
TOTAL ASSETS AND OTHER DEBITS	2,377,520,998

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of January 31, 2022
(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	534,430,850
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	835,704,980
<u>Liabilities</u>	
Bonds	706,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(173,016)
Total Long-Term Debt	731,546,984
Obligations Under Capital Leases - Noncurrent	8,350,951
Asset Retirement Obligation	93,428,377
Long-Term Portion of Derivative Instrument Liabilities	3,693,879
Accum. Misc. Operating Provisions	30,786,220
Total Other Noncurrent Liabilities	136,259,427
Accounts Payable	43,396,770
Notes Payable to Assoc. Co.	101,489,000
Accounts Payable to Assoc. Co.	12,297,488
Customer Deposits	9,170,793
Taxes Accrued	4,965,652
Interest Accrued	6,917,902
Tax Collections Payable	3,556,657
Misc. Current & Accrued Liabilities	1,755,672
Obligations Under Capital Leases - Current	319,959
Derivative Instrument Liabilities	4,644,858
Less: Long-Term Portion of Derivative Instrument Liabilities	(3,693,879)
Total Current & Accrued Liabilities	184,820,872
Customer Advances for Construction	1,645,439
Accum. Deferred Investment Tax Credits	3,559,977
Other Deferred Credits	14,143,025
Other Regulatory Liabilities	131,159,515
Accumulated Deferred Income Taxes	338,680,779
Total Deferred Credits	489,188,735
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,377,520,998

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended January 31, 2022
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	166,948,856	80,796,374	247,745,230
Commercial Sales	142,584,546	31,351,422	173,935,968
Industrial Sales	60,892,364	2,143,668	63,036,032
Sales to Public Authorities	15,488,507	1,643,630	17,132,137
Public Street & Highway Lighting	1,712,334	-	1,712,334
Inter-Departmental Sales	60,701	25,175	85,876
Misc. Service Revenues	1,015,411	962,030	1,977,441
Revenues from Transportation	-	7,380,916	7,380,916
Sales for Resale	16,365,647	-	16,365,647
Rents from Property	1,529,521	-	1,529,521
Other Revenues	8,423,883	61,111	8,484,994
Total Revenues	<u>415,021,770</u>	<u>124,364,326</u>	<u>539,386,096</u>
<u>Operating Expenses</u>			
Operation Expense	238,209,584	68,317,744	306,527,328
Maintenance Expense	36,300,972	2,053,664	38,354,636
Depreciation Expense	52,311,666	18,406,709	70,718,375
Amortization and Depletion	3,527,248	4,315,740	7,842,988
Taxes Other than Income Taxes	15,953,864	4,704,715	20,658,579
Income Taxes - Federal & Other	(10,850,788)	295,614	(10,555,174)
Provision for Deferred Income Taxes - Net	17,578,900	3,069,192	20,648,092
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>353,031,446</u>	<u>101,163,378</u>	<u>454,194,824</u>
NET OPERATING INCOME	<u>61,990,324</u>	<u>23,200,948</u>	<u>85,191,272</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,424,331	-	1,424,331
Less: Expense of Merchandising, Jobbing and Contract Work	(126,240)	-	(126,240)
Revenues from Nonutility Operations	906,119	(3,445)	902,674
Interest & Dividend Income	792,673	218,378	1,011,051
AFUDC	1,021,535	267,510	1,289,045
Gain on Disposition of Property	-	-	-
Loss on Disposition of Property	-	-	-
Misc. Income Deductions	(3,000,580)	(1,978,955)	(4,979,535)
Taxes Other than Income Taxes	1,220	-	1,220
Income Taxes - Federal & Other	(1,831,204)	459,639	(1,371,565)
Provision for Deferred Income Taxes - Net	1,425,341	(20,836)	1,404,505
Total Other Income & Deductions	<u>613,195</u>	<u>(1,057,709)</u>	<u>(444,514)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(17,991,394)	(7,851,428)	(25,842,822)
Amortization of Debt Disc. And Expense	(443,509)	(85,441)	(528,950)
Amortization of Loss on Reacquired Debt	(84,756)	(37,967)	(122,723)
Interest on Debt to Assoc. Co.	(99,006)	(44,729)	(143,735)
Other Interest Expense	(1,364,413)	(4,990)	(1,369,403)
Less: Allowance for Borrowed Fund Used During Construction - Credit	374,459	66,876	441,335
Net interest Charges	<u>(19,608,619)</u>	<u>(7,957,679)</u>	<u>(27,566,298)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>42,994,900</u>	<u>14,185,560</u>	<u>57,180,460</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
January 31, 2022
(Unaudited)

	Actual 12/31/2021	Activity	Actual 1/31/2022
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	704,220,943	21,240	704,242,183
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,378,503	(27,552)	8,350,951
Total Long-term debt	737,599,446	(6,312)	737,593,134
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	53,405,580	520,368,340
Unappropriated Retained Earnings - Current Year Net Income	53,405,580	(39,343,070)	14,062,510
Total Common Stock Equity	821,642,470	14,062,510	835,704,980
TOTAL CAPITALIZATION	1,559,241,916	14,056,198	1,573,298,114

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.