



139 East Fourth Street-1303-Main
Cincinnati, Ohio 45202
Tel: 513-287-4320
Fax: 513-370-5720
Rocco.D'Ascenzo@duke-energy.com

Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

August 16, 2022

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

RECEIVED

AUG 16 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 June 2022, per order by the Commission in the above-referenced case.

If you have any questions regarding the financial statements, please contact Danielle Weatherston at Danielle.Weatherston@duke-energy.com.

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 June 30, 2022
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,213,899,803	784,901,443	41,784,735	3,040,585,981
Construction Work in Progress	59,673,636	15,039,071	-	74,712,707
Less: Accumulated Depreciation	(866,076,599)	(196,143,941)	(2,368,938)	(1,064,589,478)
Net Utility Plant	<u>1,407,496,840</u>	<u>603,796,573</u>	<u>39,415,797</u>	<u>2,050,709,210</u>
Nonutility Property	-	-	1,247,563	1,247,563
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	17,416,488	17,416,488
Long Term Portion of Derivative Instrument Assets	-	-	-	-
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>18,665,551</u>	<u>18,665,551</u>
Cash	2,473,444	1,015,504	(185,208)	3,303,740
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	8,141,488	2,653,239	-	10,794,727
Other Accounts Receivable	1,352,056	555,104	(101,240)	1,805,920
Less: Provision for Uncollectibles	(232,970)	(75,923)	-	(308,893)
Notes Receivable from Assoc. Co.	26,725,256	10,972,390	(2,001,146)	35,696,500
Accounts Receivable from Assoc. Co.	(2,268,692)	(931,440)	169,876	(3,030,256)
Fuel Stock	24,133,266	-	-	24,133,266
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	18,044,384	396,102	-	18,440,486
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	22,611	496	-	23,107
Prepayments	1,036,780	490,817	-	1,527,597
Emission Allowances	18,973	-	-	18,973
Derivative Instrument Assets	4,861,655	-	-	4,861,655
Interest & Dividends Receivable	-	-	-	-
Accrued Utility Revenues	-	-	-	-
Misc Current and Accrued Assets	7,233,913	4,662,829	-	11,896,742
Rents Receivable	26,777	-	-	26,777
Total Current & Accrued Assets	<u>91,568,941</u>	<u>19,739,118</u>	<u>(2,117,718)</u>	<u>109,190,341</u>
Unamortized Debt Expense	2,201,207	903,734	(164,823)	2,940,118
Other Regulatory Assets	119,484,980	19,297,145	-	138,782,125
Preliminary Survey & Investigation	326,369	133,995	(24,438)	435,926
Clearing Accounts	(25,671)	(13,555)	-	(39,226)
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	1,754,930	720,509	(131,406)	2,344,033
Unamortized Loss on Reacquired Debt	249,400	102,394	(18,675)	333,119
Accumulated Deferred Income Taxes	52,703,031	18,282,232	-	70,985,263
Unrecovered Purchased Gas Costs	-	(3,596,502)	-	(3,596,502)
Total Deferred Debits	<u>176,694,246</u>	<u>35,829,952</u>	<u>(339,342)</u>	<u>212,184,856</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>1,675,760,027</u></u>	<u><u>659,365,643</u></u>	<u><u>55,624,288</u></u>	<u><u>2,390,749,958</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of June 30, 2022
(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	330,833,409	126,399,217	91,956,089	549,188,715
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>556,391,325</u>	<u>219,004,859</u>	<u>75,066,661</u>	<u>850,462,845</u>
<u>Liabilities</u>				
Bonds	566,541,129	232,600,594	(42,421,723)	756,720,000
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	(125,708)	(51,611)	9,413.00	(167,906)
Total Long-Term Debt	<u>585,132,421</u>	<u>240,233,483</u>	<u>(43,813,810)</u>	<u>781,552,094</u>
Obligations Under Capital Leases - Noncurrent	5,820,770	2,389,756	-	8,210,526
Asset Retirement Obligation	82,340,499	11,225,577	-	93,566,076
Long-Term Portion of Derivative Instrument Liabilities	1,565,229	826,479	-	2,391,708
Accum. Misc. Operating Provisions	19,750,580	10,428,780	-	30,179,360
Total Other Noncurrent Liabilities	<u>109,477,078</u>	<u>24,870,592</u>	<u>-</u>	<u>134,347,670</u>
Accounts Payable	32,199,792	13,220,030	(2,411,071)	43,008,751
Notes Payable to Assoc. Co.	5,448,893	2,237,112	(408,005)	7,278,000
Accounts Payable to Assoc. Co.	24,562,714	10,084,531	(1,839,218)	32,808,027
Customer Deposits	5,461,403	3,672,906	-	9,134,309
Taxes Accrued	12,100,374	5,510,711	(193,368)	17,417,717
Interest Accrued	5,669,339	2,327,618	(424,511)	7,572,446
Tax Collections Payable	1,149,011	314,901	291	1,464,203
Misc. Current & Accrued Liabilities	8,936,991	4,718,946	-	13,655,937
Obligations Under Capital Leases - Current	234,529	96,288	-	330,817
Derivative Instrument Liabilities	2,049,495	1,082,182	-	3,131,677
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,565,229)	(826,479)	-	(2,391,708)
Total Current & Accrued Liabilities	<u>96,247,312</u>	<u>42,438,746</u>	<u>(5,275,882)</u>	<u>133,410,176</u>
Customer Advances for Construction	-	1,855,906	-	1,855,906
Accum. Deferred Investment Tax Credits	396,137	226,732	2,839,403	3,462,272
Other Deferred Credits	11,007,936	3,502,921	-	14,510,857
Other Regulatory Liabilities	82,976,474	44,429,597	-	127,406,071
Accumulated Deferred Income Taxes	234,131,344	82,802,807	26,807,916	343,742,067
Total Deferred Credits	<u>328,511,891</u>	<u>132,817,963</u>	<u>29,647,319</u>	<u>490,977,173</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u>1,675,760,027</u>	<u>659,365,643</u>	<u>55,624,288</u>	<u>2,390,749,958</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended June 30, 2022
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	180,014,820	90,641,821		270,656,641
Commercial Sales	140,047,426	37,771,816		177,819,242
Industrial Sales	58,497,412	2,306,892		60,804,304
Sales to Public Authorities	21,289,792	2,753,082		24,042,874
Public Street & Highway Lighting	1,772,966	-		1,772,966
Inter-Departmental Sales	127,810	24,233		152,043
Misc. Service Revenues	(3,155,452)	16,747	734,559	(2,404,146)
Revenues from Transportation	-	7,951,167		7,951,167
Sales for Resale	28,727,438	-		28,727,438
Rents from Property	1,317,822	-		1,317,822
Other Revenues	7,923,479	71,860		7,995,339
Total Revenues	<u>436,563,513</u>	<u>141,537,618</u>	<u>734,559</u>	<u>578,835,690</u>
<u>Operating Expenses</u>				
Operation Expense	264,699,901	80,571,254	680,220	345,951,375
Maintenance Expense	38,552,205	2,087,064	68,103	40,707,372
Depreciation Expense	56,821,948	18,036,914	-	74,858,862
Amortization and Depletion	3,578,515	4,186,297	-	7,764,812
Taxes Other than Income Taxes	16,756,187	4,592,250	4,239	21,352,676
Income Taxes - Federal & Other	(8,709,933)	2,253,818	(93,242)	(6,549,357)
Provision for Deferred Income Taxes - Net	13,820,450	3,112,391	(179,403)	16,753,438
Investment Tax Credit Adjustment	-	(986)	986	-
Total Operating Expenses	<u>385,519,273</u>	<u>114,839,002</u>	<u>480,903</u>	<u>500,839,178</u>
NET OPERATING INCOME	<u>51,044,240</u>	<u>26,698,616</u>	<u>253,656</u>	<u>77,996,512</u>
<u>Other Income & Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	1,352,563	1,352,563
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(103,928)	(103,928)
Revenues from Nonutility Operations	-	-	854,275	854,275
Interest & Dividend Income	-	-	1,251,997	1,251,997
AFUDC	1,172,451	330,926		1,503,377
Gain on Disposition of Property	-	-	105,042	105,042
Loss on Disposition of Property	-	-	(105,042)	(105,042)
Misc. Income Deductions	-	-	(4,089,465)	(4,089,465)
Taxes Other than Income Taxes	-	-	(3,083)	(3,083)
Income Taxes - Federal & Other	-	-	(1,299,034)	(1,299,034)
Provision for Deferred Income Taxes - Net	-	-	1,221,086	1,221,086
Total Other Income & Deductions	<u>1,172,451</u>	<u>330,926</u>	<u>(815,589)</u>	<u>687,788</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(19,375,471)	(7,954,844)	1,450,805	(25,879,510)
Amortization of Debt Disc. And Expense	(343,411)	(140,992)	25,714	(458,689)
Amortization of Loss on Recquired Debt	(91,880)	(37,723)	6,880	(122,723)
Interest on Debt to Assoc. Co.	(217,207)	(89,177)	16,264	(290,120)
Other Interest Expense	(835,132)	(342,874)	62,533	(1,115,473)
Less: Allowance for Borrowed Fund Used During Construction - Credit	466,628	111,264	-	577,892
Net interest Charges	<u>(20,396,473)</u>	<u>(8,454,346)</u>	<u>1,562,196</u>	<u>(27,288,623)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>31,820,218</u>	<u>18,575,196</u>	<u>1,000,263</u>	<u>51,395,677</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
June 30, 2022
(Unaudited)

	Actual May-22	Activity	Actual Jun-22
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	704,347,123	49,753,773	754,100,896
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,239,036	(28,510)	8,210,526
Total Long-term debt	737,586,159	49,725,263	787,311,422
	0		(0)
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	520,368,340	-	520,368,340
Unappropriated Retained Earnings - Current Year Net Income	31,276,300	(2,455,925)	28,820,375
Total Common Stock Equity	852,918,770	(2,455,925)	850,462,845
 TOTAL CAPITALIZATION	 1,590,504,929	 47,269,338	 1,637,774,267

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.