



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**

July 25, 2023

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

RECEIVED

JUL 25 2023

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 May 2023, 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](mailto: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 May 31, 2023

(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,165,470,669
Construction Work in Progress	120,271,982
Less: Accumulated Depreciation	(1,094,910,251)
Net Utility Plant	2,190,832,400
Nonutility Property	1,278,002
Other Investments	1,500
Other Special Funds	17,012,614
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	18,292,116
Cash	2,516,216
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	9,804,301
Other Accounts Receivable	1,729,525
Less: Provision for Uncollectibles	(641,072)
Notes Receivable from Assoc. Co.	25,552,544
Accounts Receivable from Assoc. Co.	(7,085,940)
Fuel Stock	45,376,354
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	20,417,754
Other Materials & Supplies	-
Stores Expense Undistributed	2,199,048
Prepayments	1,157,133
Emission Allowances	18,470
Derivative Instrument Assets	5,203,690
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	13,233,770
Accrued Utility Revenue	-
Rents Receivable	4,257
Total Current & Accrued Assets	119,486,050
Unamortized Debt Expense	2,758,404
Other Regulatory Assets	125,167,573
Preliminary Survey & Investigation	581,970
Clearing Accounts	(40,504)
Temporary Facilities	13,518
Miscellaneous Deferred Debits	2,804,059
Unamortized Loss on Reacquired Debt	223,108
Accumulated Deferred Income Taxes	74,756,730
Unrecovered Purchased Gas Costs	(3,509,889)
Total Deferred Debits	202,754,969
TOTAL ASSETS AND OTHER DEBITS	2,531,365,535

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 2  
As of May 31, 2023  
(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	273,655,189
Retained Earnings	606,372,827
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	<u>907,646,957</u>
<u>Liabilities</u>	
Bonds	756,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(156,665)
Total Long-Term Debt	<u>781,563,335</u>
Obligations Under Capital Leases - Noncurrent	7,883,275
Asset Retirement Obligation	105,876,456
Long-Term Portion of Derivative Instrument Liabilities	1,448,079
Accum. Misc. Operating Provisions	27,619,612
Total Other Noncurrent Liabilities	<u>142,827,422</u>
Accounts Payable	41,402,857
Notes Payable to Assoc. Co.	93,784,000
Accounts Payable to Assoc. Co.	20,397,977
Customer Deposits	9,976,020
Taxes Accrued	24,019,432
Interest Accrued	7,812,042
Tax Collections Payable	3,273,249
Misc. Current & Accrued Liabilities	4,326,040
Obligations Under Capital Leases - Current	355,761
Derivative Instrument Liabilities	1,559,148
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,448,079)
Total Current & Accrued Liabilities	<u>205,458,447</u>
Customer Advances for Construction	2,520,949
Accum. Deferred Investment Tax Credits	3,328,636
Other Deferred Credits	12,942,881
Other Regulatory Liabilities	121,659,339
Accumulated Deferred Income Taxes	353,417,569
Total Deferred Credits	<u>493,869,374</u>
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 <u><u>2,531,365,535</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Income Statement  
As of May 31, 2023  
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	188,003,045	92,002,230	280,005,275
Commercial Sales	155,697,076	35,761,751	191,458,827
Industrial Sales	71,133,576	2,210,712	73,344,288
Sales to Public Authorities	24,287,441	2,609,250	26,896,691
Public Street & Highway Lighting	1,963,264	-	1,963,264
Inter-Departmental Sales	21,037	20,803	41,840
Misc. Service Revenues	4,185,392	11,781	4,197,173
Revenues from Transportation	-	10,463,725	10,463,725
Sales for Resale	42,227,674	-	42,227,674
Rents from Property	1,635,157	-	1,635,157
Other Revenues	15,501,291	104,489	15,605,780
Total Revenues	<u>504,654,953</u>	<u>143,184,741</u>	<u>647,839,694</u>
<u>Operating Expenses</u>			
Operation Expense	307,468,311	77,551,127	385,019,438
Maintenance Expense	31,146,498	2,753,919	33,900,417
Depreciation Expense	74,451,018	17,584,065	92,035,083
Amortization and Depletion	4,845,652	4,452,127	9,297,779
Taxes Other than Income Taxes	17,685,853	5,411,025	23,096,878
Income Taxes - Federal & Other	8,670,438	(372,770)	8,297,668
Provision for Deferred Income Taxes - Net	(1,097,441)	5,370,545	4,273,104
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>443,170,329</u>	<u>112,750,038</u>	<u>555,920,367</u>
NET OPERATING INCOME	<u>61,484,624</u>	<u>30,434,703</u>	<u>91,919,327</u>
<u>Other Income &amp; Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,641,251	-	1,641,251
Less: Expense of Merchandising, Jobbing and Contract Work	(77,043)	-	(77,043)
Revenues from Nonutility Operations	787,308	6,290	793,598
Interest & Dividend Income	3,650,664	975,086	4,625,750
Non Operating Rental Income	(684)	(1,275)	(1,959)
AFUDC	1,278,811	397,216	1,676,027
Gain on Disposition of Property	-	87,125	87,125
Loss on Disposition of Property	(26,343)	(21,071)	(47,414)
Misc. Income Deductions	(5,631,670)	(8,477,037)	(14,108,707)
Taxes Other than Income Taxes	973	-	973
Income Taxes - Federal & Other	(1,355,336)	1,103,247	(252,089)
Provision for Deferred Income Taxes - Net	822,123	598,210	1,420,333
Total Other Income & Deductions	<u>1,090,054</u>	<u>(5,332,209)</u>	<u>(4,242,155)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(19,354,129)	(10,300,513)	(29,654,642)
Amortization of Debt Disc. And Expense	(308,813)	(154,328)	(463,141)
Amortization of Loss on Reacquired Debt	(77,784)	(42,455)	(120,239)
Interest on Debt to Assoc. Co.	(2,164,302)	(1,055,858)	(3,220,160)
Other Interest Expense	(1,639,476)	(112,216)	(1,751,692)
Less: Allowance for Borrowed Fund Used During Construction - Credit	1,726,287	534,602	2,260,889
Net Interest Charges	<u>(21,818,217)</u>	<u>(11,130,768)</u>	<u>(32,948,985)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>40,756,461</u>	<u>13,971,726</u>	<u>54,728,187</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Capital Structure  
As of May 31, 2023  
(Unaudited)

	Actual 4/30/2023	Activity	Actual 5/31/2023
<b>Liabilities and Shareholders' Equity</b>			
<b>Non-Current Liabilities</b>			
* Long-term debt	679,289,518	27,088	679,316,606
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,914,009	(30,734)	7,883,275
Total Long-term debt	712,203,527	(3,646)	712,199,881
	(0)		0
<b>Common Stock Equity</b>			
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	578,920,358	-	578,920,358
Unappropriated Retained Earnings - Current Year Net Income	24,955,915	2,496,554	27,452,469
Total Common Stock Equity	905,150,403	2,496,554	907,646,957
<b>TOTAL CAPITALIZATION</b>	<b>\$ 1,617,353,930</b>	<b>\$ 2,492,908</b>	<b>\$ 1,619,846,838</b>

**NOTE:**

\* "Long-Term Debt" under Non-Current Liabilities does not include current portion of Long-Term Debt, however it does include Unamortized Discount and Unamortized Debt Expense.

\*\* "Obligations under Capital Lease Noncurrent includes \$8.1M of lease liabilities resulting from the implementation of ASC 842 in January 2019.