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Deputy General Counsel

VIA EMAIL DELIVERY

October 16, 2023

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

RECEIVED

OCT 16 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 August 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.

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 August 31, 2023
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,222,588,452
Construction Work in Progress	118,225,061
Less: Accumulated Depreciation	(1,112,169,987)
Net Utility Plant	2,228,643,526
Nonutility Property	1,290,803
Other Investments	1,500
Other Special Funds	17,527,070
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	18,819,373
Cash	2,155,967
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	16,307,386
Other Accounts Receivable	2,486,008
Less: Provision for Uncollectibles	(691,256)
Notes Receivable from Assoc. Co.	27,783,406
Accounts Receivable from Assoc. Co.	(1,477,251)
Fuel Stock	40,879,222
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	22,853,416
Other Materials & Supplies	7,243
Stores Expense Undistributed	2,727,593
Prepayments	1,276,069
Emission Allowances	18,470
Derivative Instrument Assets	4,401,070
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	15,227,334
Accrued Utility Revenue	-
Rents Receivable	16,033
Total Current & Accrued Assets	133,970,710
Unamortized Debt Expense	2,645,692
Other Regulatory Assets	121,346,293
Preliminary Survey & Investigation	603,353
Clearing Accounts	(35,736)
Temporary Facilities	24,325
Miscellaneous Deferred Debits	3,021,317
Unamortized Loss on Reacquired Debt	193,568
Accumulated Deferred Income Taxes	73,554,448
Unrecovered Purchased Gas Costs	(1,190,461)
Total Deferred Debits	200,162,799
TOTAL ASSETS AND OTHER DEBITS	2,581,596,408

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of August 31, 2023
(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	623,617,622
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	924,891,752
<u>Liabilities</u>	
Bonds	756,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(153,599)
Total Long-Term Debt	781,566,401
Obligations Under Capital Leases - Noncurrent	7,789,641
Asset Retirement Obligation	103,075,398
Long-Term Portion of Derivative Instrument Liabilities	1,247,015
Accum. Misc. Operating Provisions	27,549,183
Total Other Noncurrent Liabilities	139,661,237
Accounts Payable	44,206,107
Notes Payable to Assoc. Co.	127,424,000
Accounts Payable to Assoc. Co.	19,168,611
Customer Deposits	10,149,330
Taxes Accrued	19,963,725
Interest Accrued	10,272,158
Tax Collections Payable	3,041,826
Misc. Current & Accrued Liabilities	4,183,500
Obligations Under Capital Leases - Current	362,818
Derivative Instrument Liabilities	1,635,175
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,247,015)
Total Current & Accrued Liabilities	239,160,235
Customer Advances for Construction	2,522,127
Accum. Deferred Investment Tax Credits	3,292,706
Other Deferred Credits	14,002,154
Other Regulatory Liabilities	120,056,093
Accumulated Deferred Income Taxes	356,443,703
Total Deferred Credits	496,316,783
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,581,596,408

Duke Energy Kentucky, Inc.

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

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	175,921,674	90,889,882	266,811,556
Commercial Sales	153,786,765	35,548,573	189,335,338
Industrial Sales	69,670,596	2,112,856	71,783,452
Sales to Public Authorities	23,771,892	2,733,390	26,505,282
Public Street & Highway Lighting	1,406,463	-	1,406,463
Inter-Departmental Sales	28,842	32,420	61,262
Misc. Service Revenues	10,313,546	13,519	10,327,065
Revenues from Transportation	-	10,975,900	10,975,900
Sales for Resale	35,827,857	-	35,827,857
Rents from Property	1,611,683	-	1,611,683
Other Revenues	12,531,814	102,095	12,633,909
Total Revenues	<u>484,871,132</u>	<u>142,408,635</u>	<u>627,279,767</u>
<u>Operating Expenses</u>			
Operation Expense	290,904,908	75,450,071	366,354,979
Maintenance Expense	28,006,357	2,523,721	30,530,078
Depreciation Expense	76,907,159	17,919,607	94,826,766
Amortization and Depletion	4,813,626	4,438,794	9,252,420
Taxes Other than Income Taxes	11,674,656	3,828,310	15,502,966
Income Taxes - Federal & Other	8,599,438	624,728	9,224,166
Provision for Deferred Income Taxes - Net	(1,134,801)	5,066,698	3,931,897
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>419,771,343</u>	<u>109,851,929</u>	<u>529,623,272</u>
NET OPERATING INCOME	<u>65,099,789</u>	<u>32,556,706</u>	<u>97,656,495</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	2,273,905	-	2,273,905
Less: Expense of Merchandising, Jobbing and Contract Work	(118,368)	-	(118,368)
Revenues from Nonutility Operations	762,097	2,643	764,740
Interest & Dividend Income	3,964,082	1,059,655	5,023,737
Non Operating Rental Income	(842)	(1,569)	(2,411)
AFUDC	1,005,494	370,890	1,376,384
Gain on Disposition of Property	-	81,668	81,668
Loss on Disposition of Property	(45,061)	(21,186)	(66,247)
Misc. Income Deductions	(6,018,698)	(8,663,647)	(14,682,345)
Taxes Other than Income Taxes	2,725	-	2,725
Income Taxes - Federal & Other	(891,458)	1,282,225	390,767
Provision for Deferred Income Taxes - Net	200,640	540,183	740,823
Total Other Income & Deductions	<u>1,134,516</u>	<u>(5,349,138)</u>	<u>(4,214,622)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(20,007,766)	(10,511,722)	(30,519,488)
Amortization of Debt Disc. And Expense	(312,902)	(157,316)	(470,218)
Amortization of Loss on Reacquired Debt	(77,105)	(41,993)	(119,098)
Interest on Debt to Assoc. Co.	(3,249,865)	(1,581,562)	(4,831,427)
Other Interest Expense	(1,707,998)	(146,707)	(1,854,705)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,137,779	1,008,038	3,145,817
Net interest Charges	<u>(23,217,857)</u>	<u>(11,431,262)</u>	<u>(34,649,119)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>43,016,448</u>	<u>15,776,306</u>	<u>58,792,754</u>

Duke Energy Kentucky, Inc.

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

	Actual 7/31/2023	Activity	Actual 8/31/2023
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,372,051	27,750	679,399,801
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,821,307	(31,667)	7,789,640
Total Long-term debt	<u>712,193,358</u>	<u>(3,917)</u>	<u>712,189,441</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	578,920,358	-	578,920,358
Unappropriated Retained Earnings - Current Year Net Income	41,183,981	3,513,283	44,697,264
Total Common Stock Equity	<u>921,378,469</u>	<u>3,513,283</u>	<u>924,891,752</u>
TOTAL CAPITALIZATION	\$ 1,633,571,827	\$ 3,509,366	\$ 1,637,081,193

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.