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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

January 17, 2024

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

RECEIVED

JAN 17 2024

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 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 November 30, 2023
(Unaudited)

	<u>Total Company</u>
<u>Assets</u>	
Utility Plant in Service	3,254,636,382
Construction Work in Progress	131,890,909
Less: Accumulated Depreciation	<u>(1,125,281,748)</u>
Net Utility Plant	<u>2,261,245,543</u>
Nonutility Property	1,308,435
Other Investments	1,500
Other Special Funds	18,041,525
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	<u>19,351,460</u>
Cash	24,349,038
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	18,094,934
Other Accounts Receivable	2,305,868
Less: Provision for Uncollectibles	(700,119)
Notes Receivable from Assoc. Co.	49,538,103
Accounts Receivable from Assoc. Co.	(5,876,540)
Fuel Stock	39,856,150
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	24,380,827
Other Materials & Supplies	-
Stores Expense Undistributed	2,326,785
Prepayments	627,942
Emission Allowances	18,470
Derivative Instrument Assets	2,501,091
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	15,680,965
Accrued Utility Revenue	-
Rents Receivable	12,420
Total Current & Accrued Assets	<u>173,115,934</u>
Unamortized Debt Expense	2,553,360
Other Regulatory Assets	114,686,626
Preliminary Survey & Investigation	492,311
Clearing Accounts	(53,723)
Temporary Facilities	18,158
Miscellaneous Deferred Debits	3,003,903
Unamortized Loss on Reacquired Debt	164,028
Accumulated Deferred Income Taxes	75,908,529
Unrecovered Purchased Gas Costs	(130,578)
Total Deferred Debits	<u>196,642,614</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>2,650,355,551</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements

Balance Sheet - Page 2

As of November 30, 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	308,655,189
Retained Earnings	634,078,550
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	970,352,680
<u>Liabilities</u>	
Bonds	756,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(150,533)
Total Long-Term Debt	781,569,467
Obligations Under Capital Leases - Noncurrent	7,522,133
Asset Retirement Obligation	89,075,419
Long-Term Portion of Derivative Instrument Liabilities	737,675
Accum. Misc. Operating Provisions	27,412,300
Total Other Noncurrent Liabilities	124,747,527
Accounts Payable	56,875,831
Notes Payable to Assoc. Co.	122,700,000
Accounts Payable to Assoc. Co.	50,586,751
Customer Deposits	8,949,127
Taxes Accrued	27,006,405
Interest Accrued	7,873,471
Tax Collections Payable	2,817,574
Misc. Current & Accrued Liabilities	3,551,680
Obligations Under Capital Leases - Current	361,353
Derivative Instrument Liabilities	903,094
Less: Long-Term Portion of Derivative Instrument Liabilities	(737,675)
Total Current & Accrued Liabilities	280,887,611
Customer Advances for Construction	2,520,782
Accum. Deferred Investment Tax Credits	5,132,950
Other Deferred Credits	13,836,749
Other Regulatory Liabilities	118,438,129
Accumulated Deferred Income Taxes	352,869,656
Total Deferred Credits	492,798,266
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,650,355,551

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
As of November 30, 2023
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	176,563,020	87,552,433	264,115,453
Commercial Sales	153,983,479	33,532,257	187,515,736
Industrial Sales	65,737,963	1,989,284	67,727,247
Sales to Public Authorities	22,878,334	2,373,893	25,252,227
Public Street & Highway Lighting	705,479	-	705,479
Inter-Departmental Sales	31,419	28,104	59,523
Misc. Service Revenues	3,597,361	14,938	3,612,299
Revenues from Transportation	-	11,181,754	11,181,754
Sales for Resale	32,109,132	-	32,109,132
Rents from Property	1,618,763	-	1,618,763
Other Revenues	11,516,758	(514,555)	11,002,203
Total Revenues	<u>468,741,708</u>	<u>136,158,108</u>	<u>604,899,816</u>
<u>Operating Expenses</u>			
Operation Expense	262,890,879	69,473,148	332,364,027
Maintenance Expense	31,968,599	2,646,240	34,614,839
Depreciation Expense	80,958,052	18,216,638	99,174,690
Amortization and Depletion	4,844,819	4,328,360	9,173,179
Taxes Other than Income Taxes	11,693,026	4,147,558	15,840,584
Income Taxes - Federal & Other	31,594,342	13,144,008	44,738,350
Provision for Deferred Income Taxes - Net	(20,180,047)	(9,187,983)	(29,368,030)
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>403,769,670</u>	<u>102,767,969</u>	<u>506,537,639</u>
NET OPERATING INCOME	<u>64,972,038</u>	<u>33,390,139</u>	<u>98,362,177</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	2,613,441	-	2,613,441
Less: Expense of Merchandising, Jobbing and Contract Work	(93,357)	-	(93,357)
Revenues from Nonutility Operations	761,585	6,395	767,980
Interest & Dividend Income	4,063,813	1,095,614	5,159,427
Non Operating Rental Income	(999)	(1,864)	(2,863)
AFUDC	736,983	329,215	1,066,198
Gain on Disposition of Property	-	165,493	165,493
Loss on Disposition of Property	(38,130)	(14,717)	(52,847)
Misc. Income Deductions	(5,840,063)	(8,761,953)	(14,602,016)
Taxes Other than Income Taxes	4,121	-	4,121
Income Taxes - Federal & Other	(157,409)	13,101,098	12,943,689
Provision for Deferred Income Taxes - Net	(857,635)	(11,172,978)	(12,030,613)
Total Other Income & Deductions	<u>1,192,350</u>	<u>(5,253,697)</u>	<u>(4,061,347)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(20,417,611)	(10,626,172)	(31,043,783)
Amortization of Debt Disc. And Expense	(308,784)	(153,611)	(462,395)
Amortization of Loss on Reacquired Debt	(76,562)	(41,598)	(118,160)
Interest on Debt to Assoc. Co.	(4,034,758)	(1,959,440)	(5,994,198)
Other Interest Expense	(2,009,918)	(189,340)	(2,199,258)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,460,950	1,561,608	4,022,558
Net interest Charges	<u>(24,386,683)</u>	<u>(11,408,553)</u>	<u>(35,795,236)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>41,777,705</u>	<u>16,727,889</u>	<u>58,505,594</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of November 30, 2023
(Unaudited)

	Actual 10/31/2023	Activity	Actual 11/30/2023
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,445,038	20,552	679,465,590
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,725,964	(203,831)	7,522,133
Total Long-term debt	<u>712,171,002</u>	<u>(183,279)</u>	<u>711,987,723</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	160,000,000	-	160,000,000
Unappropriated Retained Earnings Balance	578,920,358	-	578,920,358
Unappropriated Retained Earnings - Current Year Net Income	44,943,631	10,214,561	55,158,192
Total Common Stock Equity	<u>960,138,119</u>	<u>10,214,561</u>	<u>970,352,680</u>
 TOTAL CAPITALIZATION	 \$ 1,672,309,121	 \$ 10,031,282	 \$ 1,682,340,403

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.