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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

July 17, 2024

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

RECEIVED

JUL 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 May 2024, 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 May 31, 2024

(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,347,559,730
Construction Work in Progress	121,044,155
Less: Accumulated Depreciation	(1,151,147,975)
Net Utility Plant	2,317,455,910
Nonutility Property	1,325,529
Other Investments	1,500
Other Special Funds	19,372,281
Long Term Portion of Derivative Instrument Assets	86,683
Total Other Property & Investments	20,785,993
Cash	2,317,265
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	46,839,256
Other Accounts Receivable	1,747,100
Less: Provision for Uncollectibles	(4,005,547)
Notes Receivable from Assoc. Co.	-
Accounts Receivable from Assoc. Co.	89,678
Fuel Stock	39,867,791
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	28,836,443
Other Materials & Supplies	-
Stores Expense Undistributed	1,470,858
Prepayments	1,289,688
Emission Allowances	18,470
Derivative Instrument Assets	2,329,434
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	5,679,249
Accrued Utility Revenue	23,363,551
Rents Receivable	4,378
Total Current & Accrued Assets	149,847,614
Unamortized Debt Expense	2,413,593
Other Regulatory Assets	109,780,076
Preliminary Survey & Investigation	1,246,442
Clearing Accounts	49,311
Temporary Facilities	45,965
Miscellaneous Deferred Debits	2,735,427
Unamortized Loss on Reacquired Debt	121,053
Accumulated Deferred Income Taxes	81,976,589
Unrecovered Purchased Gas Costs	(4,673,798)
Total Deferred Debits	193,694,658
TOTAL ASSETS AND OTHER DEBITS	2,681,784,175

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements

Balance Sheet - Page 2

As of May 31, 2024

(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	474,372,496
Retained Earnings	686,099,302
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	1,188,090,739
<u>Liabilities</u>	
Bonds	681,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(144,402)
Total Long-Term Debt	706,575,598
Obligations Under Capital Leases - Noncurrent	5,811,672
Asset Retirement Obligation	86,925,784
Long-Term Portion of Derivative Instrument Liabilities	753,454
Accum. Misc. Operating Provisions	27,303,612
Total Other Noncurrent Liabilities	120,794,522
Accounts Payable	28,305,905
Notes Payable to Assoc. Co.	30,268,000
Accounts Payable to Assoc. Co.	36,010,616
Customer Deposits	8,207,572
Taxes Accrued	18,275,240
Interest Accrued	7,345,055
Tax Collections Payable	2,427,809
Misc. Current & Accrued Liabilities	7,677,824
Obligations Under Capital Leases - Current	295,604
Derivative Instrument Liabilities	895,899
Less: Long-Term Portion of Derivative Instrument Liabilities	(753,454)
Total Current & Accrued Liabilities	138,956,070
Customer Advances for Construction	2,521,642
Accum. Deferred Investment Tax Credits	5,120,973
Other Deferred Credits	14,687,934
Other Regulatory Liabilities	118,338,433
Accumulated Deferred Income Taxes	386,698,264
Total Deferred Credits	527,367,246
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,681,784,175

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
As of May 31, 2024
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	186,865,004	83,467,787	270,332,791
Commercial Sales	168,713,689	32,616,570	201,330,259
Industrial Sales	70,466,579	1,693,120	72,159,699
Sales to Public Authorities	24,521,599	1,884,166	26,405,765
Public Street & Highway Lighting	142,924	-	142,924
Inter-Departmental Sales	27,830	33,928	61,758
Misc. Service Revenues	(4,216,097)	23,097	(4,193,000)
Revenues from Transportation	-	11,158,414	11,158,414
Sales for Resale	19,551,131	-	19,551,131
Rents from Property	1,709,292	-	1,709,292
Other Revenues	13,033,624	(417,525)	12,616,099
Total Revenues	<u>480,815,575</u>	<u>130,459,557</u>	<u>611,275,132</u>
<u>Operating Expenses</u>			
Operation Expense	262,430,889	64,534,308	326,965,197
Maintenance Expense	26,951,340	1,992,570	28,943,910
Depreciation Expense	83,279,289	18,298,404	101,577,693
Amortization and Depletion	4,772,508	4,014,524	8,787,032
Taxes Other than Income Taxes	10,225,168	4,822,703	15,047,871
Income Taxes - Federal & Other	18,418,253	(9,114,504)	9,303,749
Provision for Deferred Income Taxes - Net	(6,566,821)	15,410,029	8,843,208
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>399,510,626</u>	<u>99,958,034</u>	<u>499,468,660</u>
NET OPERATING INCOME	<u>81,304,949</u>	<u>30,501,523</u>	<u>111,806,472</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	3,440,566	-	3,440,566
Less: Expense of Merchandising, Jobbing and Contract Work	(162,138)	-	(162,138)
Revenues from Nonutility Operations	755,748	1,894	757,642
Interest & Dividend Income	3,122,424	810,231	3,932,655
Non Operating Rental Income	(632)	(1,176)	(1,808)
AFUDC	926,360	690,066	1,616,426
Gain on Disposition of Property	-	83,825	83,825
Loss on Disposition of Property	(2,850)	(1,100)	(3,950)
Misc. Income Deductions	(4,950,416)	(1,811,517)	(6,761,933)
Taxes Other than Income Taxes	6,668	-	6,668
Income Taxes - Federal & Other	(955,756)	13,160,351	12,204,595
Provision for Deferred Income Taxes - Net	(217,538)	(12,887,111)	(13,104,649)
Total Other Income & Deductions	<u>1,962,436</u>	<u>45,463</u>	<u>2,007,899</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(20,094,106)	(9,451,838)	(29,545,944)
Amortization of Debt Disc. And Expense	(315,261)	(141,895)	(457,156)
Amortization of Loss on Recquired Debt	(68,361)	(33,693)	(102,054)
Interest on Debt to Assoc. Co.	(3,735,183)	(1,840,441)	(5,575,624)
Other Interest Expense	(2,118,149)	(188,713)	(2,306,862)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,068,532	1,834,699	3,903,231
Net interest Charges	<u>(24,262,528)</u>	<u>(9,821,881)</u>	<u>(34,084,409)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>59,004,857</u>	<u>20,725,105</u>	<u>79,729,962</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of May 31, 2024
(Unaudited)

	Actual April-24	Activity	Actual May-24
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,672,891	27,749	679,700,640
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	5,837,311	(25,638)	5,811,673
Total Long-term debt	<u>710,510,202</u>	<u>2,111</u>	<u>710,512,313</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	310,000,000	15,717,307	325,717,307
Unappropriated Retained Earnings Balance	644,082,574	(3,486)	644,079,088
Unappropriated Retained Earnings - Current Year Net Income	36,681,529	5,338,686	42,020,215
Total Common Stock Equity	<u>1,167,038,233</u>	<u>21,052,507</u>	<u>1,188,090,740</u>
TOTAL CAPITALIZATION	\$ 1,877,548,435	\$ 21,054,618	\$ 1,898,603,053

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.