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Deputy General Counsel

VIA EMAIL DELIVERY

August 15, 2024

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

RECEIVED

AUG 15 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 June 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 June 30, 2024
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,393,543,280	925,841,306	57,414,980	3,376,799,566
Construction Work in Progress	69,318,084	41,830,988		111,149,072
Less: Accumulated Depreciation	(926,522,428)	(230,564,160)	(2,731,870)	(1,159,818,458)
Net Utility Plant	<u>1,536,338,936</u>	<u>737,108,134</u>	<u>54,683,110</u>	<u>2,328,130,180</u>
Nonutility Property	-	-	1,325,403	1,325,403
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	19,577,793	19,577,793
Long Term Portion of Derivative Instrument Assets	-	-	-	-
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>20,904,696</u>	<u>20,904,696</u>
Cash	944,346	387,713	(70,712)	1,261,347
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	38,919,278	10,254,464	-	49,173,742
Other Accounts Receivable	2,430,284	997,784	(181,976)	3,246,092
Less: Provision for Uncollectibles	(3,179,797)	(837,816)	-	(4,017,613)
Notes Receivable from Assoc. Co.	133,393,064	54,766,202	(9,988,266)	178,171,000
Accounts Receivable from Assoc. Co.	80,320	32,976	(6,015)	107,281
Fuel Stock	40,484,124	-	-	40,484,124
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	30,624,533	546,732	-	31,171,265
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	1,430,188	25,533	-	1,455,721
Prepayments	1,070,074	506,579	-	1,576,653
Emission Allowances	18,470	-	-	18,470
Derivative Instrument Assets	2,208,927	-	-	2,208,927
Interest & Dividends Receivable	-	-	-	-
Accrued Utility Revenues	33,359,312	8,789,523	-	42,148,835
Misc Current and Accrued Assets	4,890,363	1,678,210	-	6,568,573
Rents Receivable	4,378	-	-	4,378
Total Current & Accrued Assets	<u>286,677,864</u>	<u>77,147,900</u>	<u>(10,246,969)</u>	<u>353,578,795</u>
Unamortized Debt Expense	2,489,801	1,022,219	(186,432)	3,325,588
Other Regulatory Assets	94,053,751	17,341,492	-	111,395,243
Preliminary Survey & Investigation	952,119	390,904	(71,293)	1,271,730
Clearing Accounts	68,116	22,960	-	91,076
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	1,996,505	819,690	(149,495)	2,666,700
Unamortized Loss on Reacquired Debt	85,670	35,173	(6,415)	114,428
Accumulated Deferred Income Taxes	59,420,511	20,922,952	-	80,343,463
Unrecovered Purchased Gas Costs	-	(3,706,709)	-	(3,706,709)
Unrecovered Purchased Gas - Unbilled Rev	-	-	-	-
Unrecovered Purchased Gas-Manual Reclass	-	-	-	-
Unrecovered Purchased Gas Costs	-	-	-	-
Total Deferred Debits	<u>159,066,473</u>	<u>36,848,681</u>	<u>(413,635)</u>	<u>195,501,519</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>1,982,083,273</u></u>	<u><u>851,104,715</u></u>	<u><u>64,927,202</u></u>	<u><u>2,898,115,190</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of June 30, 2024
(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	355,153,200	145,812,618	(26,593,322)	474,372,496
Retained Earnings	391,062,204	181,566,518	123,771,030	696,399,752
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>766,893,153</u>	<u>335,868,646</u>	<u>95,629,390</u>	<u>1,198,391,189</u>
<u>Liabilities</u>				
Bonds	678,843,129	278,707,594	(50,830,723)	906,720,000
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	(107,346)	(44,072)	8,038	(143,380)
Total Long-Term Debt	<u>697,452,783</u>	<u>286,348,022</u>	<u>(52,224,185)</u>	<u>931,576,620</u>
Obligations Under Capital Leases - Noncurrent	4,101,886	1,684,056	-	5,785,942
Asset Retirement Obligation	73,094,394	12,788,767	459,691	86,342,852
Long-Term Portion of Derivative Instrument Liabilities	694,326	234,041	-	928,367
Accum. Misc. Operating Provisions	24,430,946	8,235,114	-	32,666,060
Total Other Noncurrent Liabilities	<u>102,321,552</u>	<u>22,941,978</u>	<u>459,691</u>	<u>125,723,221</u>
Accounts Payable	34,112,347	14,005,254	(2,554,280)	45,563,321
Notes Payable to Assoc. Co.	-	-	-	-
Accounts Payable to Assoc. Co.	13,711,331	5,629,360	(1,026,683)	18,314,008
Customer Deposits	4,907,930	3,300,683	-	8,208,613
Taxes Accrued	14,846,281	6,895,694	(723,876)	21,018,099
Interest Accrued	5,903,599	2,423,798	(442,052)	7,885,345
Tax Collections Payable	1,485,832	637,623	272	2,123,727
Misc. Current & Accrued Liabilities	7,302,505	2,461,507	-	9,764,012
Obligations Under Capital Leases - Current	211,094	86,666	-	297,760
Derivative Instrument Liabilities	950,480	320,385	-	1,270,865
Less: Long-Term Portion of Derivative Instrument Liabilities	(694,326)	(234,041)	-	(928,367)
Total Current & Accrued Liabilities	<u>82,737,073</u>	<u>35,526,929</u>	<u>(4,746,619)</u>	<u>113,517,383</u>
Customer Advances for Construction	-	2,528,681	-	2,528,681
Accum. Deferred Investment Tax Credits	2,296,301	(14,731)	2,839,403	5,120,973
Other Deferred Credits	11,090,052	3,529,052	-	14,619,104
Other Regulatory Liabilities	74,430,519	43,726,363	-	118,156,882
Accumulated Deferred Income Taxes	244,861,840	120,649,775	22,969,522	388,481,137
Total Deferred Credits	<u>332,678,712</u>	<u>170,419,140</u>	<u>25,808,925</u>	<u>528,906,777</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>1,982,083,273</u></u>	<u><u>851,104,715</u></u>	<u><u>64,927,202</u></u>	<u><u>2,898,115,190</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended June 30, 2024
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	197,101,984	83,494,901	-	280,596,885
Commercial Sales	173,298,972	32,336,404	-	205,635,376
Industrial Sales	72,247,552	1,676,181	-	73,923,733
Sales to Public Authorities	24,774,192	1,829,445	-	26,603,637
Public Street & Highway Lighting	31,940	-	-	31,940
Inter-Departmental Sales	27,386	34,283	-	61,669
Misc. Service Revenues	(8,909,976)	23,548	-	(8,886,428)
Revenues from Transportation	-	11,217,350	-	11,217,350
Sales for Resale	20,507,440	-	-	20,507,440
Rents from Property	1,710,973	-	-	1,710,973
Other Revenues	13,429,831	(394,785)	-	13,035,046
Total Revenues	<u>494,220,294</u>	<u>130,217,327</u>	<u>-</u>	<u>624,437,621</u>
<u>Operating Expenses</u>				
Operation Expense	266,159,508	64,544,255	35,261	330,739,024
Maintenance Expense	27,062,061	2,280,011	21,055	29,363,127
Depreciation Expense	84,276,264	18,438,816	-	102,715,080
Amortization and Depletion	4,776,175	3,967,198	-	8,743,373
Taxes Other than Income Taxes	16,116,797	6,916,277	2,945	23,036,019
Income Taxes - Federal & Other	20,397,524	(10,911,302)	(108,120)	9,378,102
Provision for Deferred Income Taxes - Net	(8,031,289)	17,224,619	(327,508)	8,865,822
Investment Tax Credit Adjustment	-	30,767	(30,767)	-
Total Operating Expenses	<u>410,757,040</u>	<u>102,490,641</u>	<u>(407,134)</u>	<u>512,840,547</u>
NET OPERATING INCOME	<u>83,463,254</u>	<u>27,726,686</u>	<u>407,134</u>	<u>111,597,074</u>
<u>Other Income & Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	3,584,758	3,584,758
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(159,727)	(159,727)
Revenues from Nonutility Operations	-	-	748,620	748,620
Interest & Dividend Income	2,866,419	760,331	-	3,626,750
Non Operating Rental Income	(632)	(1,176)	-	(1,808)
AFUDC	1,132,257	825,770	-	1,958,027
Gain on Disposition of Property	-	-	83,825	83,825
Loss on Disposition of Property	-	-	(3,537)	(3,537)
Misc. Income Deductions	-	-	(6,265,279)	(6,265,279)
Taxes Other than Income Taxes	-	-	6,028	6,028
Income Taxes - Federal & Other	-	-	11,546,812	11,546,812
Provision for Deferred Income Taxes - Net	-	-	(12,508,935)	(12,508,935)
Total Other Income & Deductions	<u>3,998,044</u>	<u>1,584,925</u>	<u>(2,967,435)</u>	<u>2,615,534</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(21,907,605)	(8,994,444)	1,640,408	(29,261,641)
Amortization of Debt Disc. And Expense	(342,012)	(140,417)	25,609	(456,820)
Amortization of Loss on Recquired Debt	(73,995)	(30,379)	5,541	(98,833)
Interest on Debt to Assoc. Co.	(3,932,950)	(1,614,722)	294,493	(5,253,179)
Other Interest Expense	(1,711,753)	(702,782)	128,173	(2,286,362)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,003,334	1,777,230	-	3,780,564
Net interest Charges	<u>(25,964,981)</u>	<u>(9,705,514)</u>	<u>2,094,224</u>	<u>(33,576,271)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>61,496,317</u>	<u>19,606,097</u>	<u>(466,077)</u>	<u>80,636,337</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
June 30, 2024
(Unaudited)

	Actual May 2024	Activity	Actual June 2024
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,700,640	224,079,359	903,779,999
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	5,811,673	(25,731)	5,785,942
Total Long-term debt	710,512,313	224,053,628	934,565,941
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	325,717,307	-	325,717,307
Unappropriated Retained Earnings Balance	644,079,088	-	644,079,088
Unappropriated Retained Earnings - Current Year Net Income	42,020,215	10,300,449	52,320,664
Total Common Stock Equity	1,188,090,740	10,300,449	1,198,391,189
TOTAL CAPITALIZATION	1,898,603,053	234,354,077	2,132,957,130

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.