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Deputy General Counsel

VIA EMAIL DELIVERY

February 19, 2025

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

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FEB 19 2025

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 December 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 December 31, 2024
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,436,889,102	985,901,697	59,735,386	3,482,526,185
Construction Work in Progress	68,727,126	26,289,895	-	95,017,021
Less: Accumulated Depreciation	(920,261,015)	(234,907,880)	(2,553,272)	(1,157,722,167)
Net Utility Plant	<u>1,585,355,213</u>	<u>777,283,712</u>	<u>57,182,114</u>	<u>2,419,821,039</u>
Nonutility Property	-	-	1,342,594	1,342,594
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	18,274,741	18,274,741
Long Term Portion of Derivative Instrument Assets	-	-	-	-
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>19,618,835</u>	<u>19,618,835</u>
Cash	3,488,296	1,432,164	(261,199)	4,659,261
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	43,889,276	11,226,952	-	55,116,228
Other Accounts Receivable	944,091	387,608	(70,692)	1,261,007
Less: Provision for Uncollectibles	(2,802,227)	(716,814)	-	(3,519,041)
Notes Receivable from Assoc. Co.	22,169,164	9,101,829	(1,659,993)	29,611,000
Accounts Receivable from Assoc. Co.	99,002	40,646	(7,413)	132,235
Fuel Stock	34,644,879	-	-	34,644,879
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	21,951,140	545,271	-	22,496,411
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	940,854	23,371	-	964,225
Prepayments	322,030	152,451	-	474,481
Emission Allowances	17,733	-	-	17,733
Derivative Instrument Assets	1,140,435	-	-	1,140,435
Interest & Dividends Receivable	-	-	-	-
Accrued Utility Revenues	30,329,423	7,758,318	-	38,087,741
Misc Current and Accrued Assets	4,755,488	2,415,746	-	7,171,234
Rents Receivable	7,377	-	-	7,377
Total Current & Accrued Assets	<u>161,896,961</u>	<u>32,367,542</u>	<u>(1,999,297)</u>	<u>192,265,206</u>
Unamortized Debt Expense	2,344,295	962,480	(175,537)	3,131,238
Other Regulatory Assets	89,398,851	18,718,297	-	108,117,148
Preliminary Survey & Investigation	1,025,069	420,855	(76,756)	1,369,168
Clearing Accounts	38	12	-	50
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	1,966,725	807,464	(147,265)	2,626,924
Unamortized Loss on Reacquired Debt	55,908	22,953	(4,186)	74,675
Accumulated Deferred Income Taxes	64,638,480	20,117,605	-	84,756,085
Unrecovered Purchased Gas Costs	-	96,766	-	96,766
Unrecovered Purchased Gas - Unbilled Rev	-	-	-	-
Unrecovered Purchased Gas-Manual Reclass	-	-	-	-
Unrecovered Purchased Gas Costs	-	-	-	-
Total Deferred Debits	<u>159,429,366</u>	<u>41,146,432</u>	<u>(403,744)</u>	<u>200,172,054</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>1,906,681,540</u></u>	<u><u>850,797,686</u></u>	<u><u>74,397,908</u></u>	<u><u>2,831,877,134</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of December 31, 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	292,763,789	176,877,405	135,883,199	605,524,393
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>668,594,738</u>	<u>331,179,533</u>	<u>107,741,559</u>	<u>1,107,515,830</u>
<u>Liabilities</u>				
Bonds	678,843,130	278,707,593	(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	(102,755)	(42,187)	7,694	(137,248)
Total Long-Term Debt	<u>697,457,375</u>	<u>286,349,906</u>	<u>(52,224,529)</u>	<u>931,582,752</u>
Obligations Under Capital Leases - Noncurrent	2,728,487	1,120,199	-	3,848,686
Asset Retirement Obligation	73,770,495	12,874,649	474,652	87,119,796
Long-Term Portion of Derivative Instrument Liabilities	589,545	183,933	-	773,478
Accum. Misc. Operating Provisions	21,051,425	6,567,868	-	27,619,293
Total Other Noncurrent Liabilities	<u>98,139,952</u>	<u>20,746,649</u>	<u>474,652</u>	<u>119,361,253</u>
Accounts Payable	45,164,489	18,542,850	(3,381,847)	60,325,492
Notes Payable to Assoc. Co.	-	-	-	-
Accounts Payable to Assoc. Co.	12,988,038	5,332,403	(972,524)	17,347,917
Customer Deposits	5,090,574	3,423,516	-	8,514,090
Taxes Accrued	21,697,642	7,791,495	(1,275,947)	28,213,190
Interest Accrued	10,854,881	4,456,608	(812,796)	14,498,693
Tax Collections Payable	2,139,555	1,219,363	-	3,358,918
Misc. Current & Accrued Liabilities	4,095,581	1,277,787	-	5,373,368
Obligations Under Capital Leases - Current	185,428	76,129	-	261,557
Derivative Instrument Liabilities	907,349	283,085	-	1,190,434
Less: Long-Term Portion of Derivative Instrument Liabilities	(589,545)	(183,933)	-	(773,478)
Total Current & Accrued Liabilities	<u>102,533,992</u>	<u>42,219,303</u>	<u>(6,443,114)</u>	<u>138,310,181</u>
Customer Advances for Construction	-	1,818,489	-	1,818,489
Accum. Deferred Investment Tax Credits	2,296,301	-	2,839,403	5,135,704
Other Deferred Credits	12,353,480	3,931,096	-	16,284,576
Other Regulatory Liabilities	72,117,840	42,062,525	-	114,180,365
Accumulated Deferred Income Taxes	253,187,862	122,490,185	22,009,937	397,687,984
Total Deferred Credits	<u>339,955,483</u>	<u>170,302,295</u>	<u>24,849,340</u>	<u>535,107,118</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u>1,906,681,540</u>	<u>850,797,686</u>	<u>74,397,908</u>	<u>2,831,877,134</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended December 31, 2024
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	199,940,506	81,241,340	-	281,181,846
Commercial Sales	174,749,536	31,929,508	-	206,679,044
Industrial Sales	70,765,336	1,589,793	-	72,355,129
Sales to Public Authorities	25,196,846	1,707,953	-	26,904,799
Public Street & Highway Lighting	567,499	-	-	567,499
Inter-Departmental Sales	11,125	20,242	-	31,367
Misc. Service Revenues	1,424,041	24,823	-	1,448,864
Revenues from Transportation	-	11,562,147	-	11,562,147
Sales for Resale	20,283,065	-	-	20,283,065
Rents from Property	1,615,609	-	-	1,615,609
Other Revenues	13,044,871	1,768,744	-	14,813,615
Total Revenues	<u>507,598,434</u>	<u>129,844,550</u>	<u>-</u>	<u>637,442,984</u>
<u>Operating Expenses</u>				
Operation Expense	273,401,377	63,041,736	-	336,443,113
Maintenance Expense	19,680,169	2,369,537	1,359	22,051,065
Depreciation Expense	82,405,307	19,293,253	-	101,698,560
Amortization and Depletion	4,855,880	3,969,814	-	8,825,694
Taxes Other than Income Taxes	9,414,453	5,365,428	-	14,779,881
Income Taxes - Federal & Other	21,302,018	9,135,411	-	30,437,429
Provision for Deferred Income Taxes - Net	(2,907,056)	(4,514,643)	155,451	(7,266,248)
Investment Tax Credit Adjustment	-	(26,822)	26,822	-
Total Operating Expenses	<u>408,152,148</u>	<u>98,633,714</u>	<u>183,632</u>	<u>506,969,494</u>
NET OPERATING INCOME	<u>99,446,286</u>	<u>31,210,836</u>	<u>(183,632)</u>	<u>130,473,490</u>
<u>Other Income & Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	3,036,324	3,036,324
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(210,561)	(210,561)
Revenues from Nonutility Operations	-	-	701,858	701,858
Interest & Dividend Income	2,861,705	1,129,082	-	3,990,787
Non Operating Rental Income	(1,235)	(1,589)	-	(2,824)
AFUDC	2,942,635	1,668,961	-	4,611,596
Gain on Disposition of Property	-	-	14,251	14,251
Loss on Disposition of Property	-	-	(57,740)	(57,740)
Misc. Income Deductions	-	-	(2,874,197)	(2,874,197)
Taxes Other than Income Taxes	-	-	2,462	2,462
Income Taxes - Federal & Other	-	-	2,798,701	2,798,701
Provision for Deferred Income Taxes - Net	-	-	(4,591,969)	(4,591,969)
Total Other Income & Deductions	<u>5,803,105</u>	<u>2,796,454</u>	<u>(1,180,871)</u>	<u>7,418,688</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(25,412,185)	(10,433,292)	1,902,825	(33,942,652)
Amortization of Debt Disc. And Expense	(379,368)	(155,754)	28,406	(506,716)
Amortization of Loss on Reacquired Debt	(59,524)	(24,439)	4,457	(79,506)
Interest on Debt to Assoc. Co.	(1,623,045)	(666,362)	121,531	(2,167,876)
Other Interest Expense	(1,670,103)	(685,681)	125,055	(2,230,729)
Less: Allowance for Borrowed Fund Used During Construction - Credit	1,530,645	949,962	-	2,480,607
Net interest Charges	<u>(27,613,580)</u>	<u>(11,015,566)</u>	<u>2,182,274</u>	<u>(36,446,872)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>77,635,811</u>	<u>22,991,724</u>	<u>817,771</u>	<u>101,445,306</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
December 31, 2024
(Unaudited)

	Actual November 2024	Activity	Actual December 2024
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	808,944,885	95,031,187	903,976,072
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	3,871,167	(22,481)	3,848,686
Total Long-term debt	837,816,052	95,008,706	932,824,758
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	504,079,088	-	504,079,088
Unappropriated Retained Earnings - Current Year Net Income	84,667,411	16,777,894	101,445,305
Total Common Stock Equity	1,090,737,936	16,777,894	1,107,515,830
TOTAL CAPITALIZATION	1,928,553,988	111,786,600	2,040,340,588

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.