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VIA ELECTRONIC DELIVERY

October 16, 2025

Ms. Linda C. Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615
PSCED@ky.gov

RECEIVED

OCT 16 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, Inc.'s financial statements for the end of August 2025, 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 D'Ascenzo

Rocco O. D'Ascenzo

Enclosures: As stated

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 1
As of August 31, 2025
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,565,685,009
Construction Work in Progress	138,743,537
Less: Accumulated Depreciation	(1,199,944,388)
Net Utility Plant	<u>2,504,484,158</u>
Nonutility Property	1,328,437
Other Investments	1,500
Other Special Funds	19,787,949
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	<u>21,117,886</u>
Cash	148,655
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	62,134,367
Other Accounts Receivable	2,562,416
Less: Provision for Uncollectibles	(3,628,265)
Notes Receivable from Assoc. Co.	156,908,000
Accounts Receivable from Assoc. Co.	189,261
Fuel Stock	28,837,463
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	28,022,876
Other Materials & Supplies	-
Stores Expense Undistributed	1,294,230
Prepayments	3,471,701
Emission Allowances	17,432
Derivative Instrument Assets	1,321,624
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	8,949,652
Accrued Utility Revenue	27,477,753
Rents Receivable	8,657
Total Current & Accrued Assets	<u>317,715,822</u>
Unamortized Debt Expense	3,678,369
Other Regulatory Assets	101,059,764
Preliminary Survey & Investigation	2,039,779
Clearing Accounts	160,686
Temporary Facilities	18,656
Miscellaneous Deferred Debits	3,615,318
Unamortized Loss on Reacquired Debt	29,840
Accumulated Deferred Income Taxes	88,448,443
Unrecovered Purchased Gas Costs	(1,071,538)
Total Deferred Debits	<u>197,979,317</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>3,041,297,183</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of August 31, 2025
(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	675,594,173
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	<u>1,177,585,610</u>
<u>Liabilities</u>	
Bonds	1,056,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(129,072)
Total Long-Term Debt	<u>1,081,590,928</u>
Obligations Under Capital Leases - Noncurrent	3,662,959
Asset Retirement Obligation	86,327,385
Long-Term Portion of Derivative Instrument Liabilities	808,279
Accum. Misc. Operating Provisions	33,114,256
Total Other Noncurrent Liabilities	<u>123,912,879</u>
Accounts Payable	32,053,531
Notes Payable to Assoc. Co.	-
Accounts Payable to Assoc. Co.	32,191,795
Customer Deposits	9,286,826
Taxes Accrued	20,472,583
Interest Accrued	11,620,381
Tax Collections Payable	5,357,902
Misc. Current & Accrued Liabilities	14,371,101
Obligations Under Capital Leases - Current	275,133
Derivative Instrument Liabilities	1,210,289
Less: Long-Term Portion of Derivative Instrument Liabilities	(808,279)
Total Current & Accrued Liabilities	<u>126,031,262</u>
Customer Advances for Construction	1,670,626
Accum. Deferred Investment Tax Credits	5,135,705
Other Deferred Credits	15,269,176
Other Regulatory Liabilities	106,958,067
Accumulated Deferred Income Taxes	403,142,930
Total Deferred Credits	<u>532,176,504</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>3,041,297,183</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the Twelve Months Ended August 31, 2025
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	208,727,472	100,361,308	309,088,780
Commercial Sales	179,862,500	38,505,741	218,368,241
Industrial Sales	69,837,325	2,323,777	72,161,102
Sales to Public Authorities	25,519,791	2,183,009	27,702,800
Public Street & Highway Lighting	446,291	-	446,291
Inter-Departmental Sales	25,153	26,872	52,025
Misc. Service Revenues	(3,966,739)	17,203	(3,949,536)
Revenues from Transportation	-	11,816,334	11,816,334
Sales for Resale	27,741,774	-	27,741,774
Rents from Property	1,622,816	-	1,622,816
Other Revenues	15,933,934	2,568,457	18,502,391
Total Revenues	<u>525,750,317</u>	<u>157,802,701</u>	<u>683,553,018</u>
<u>Operating Expenses</u>			
Operation Expense	294,582,866	80,578,371	375,161,237
Maintenance Expense	22,397,145	2,421,187	24,818,332
Depreciation Expense	81,996,449	20,793,374	102,789,823
Amortization and Depletion	1,653,299	3,469,366	5,122,665
Taxes Other than Income Taxes	9,138,871	2,797,504	11,936,375
Income Taxes - Federal & Other	18,527,988	10,592,905	29,120,893
Provision for Deferred Income Taxes - Net	(426,439)	(4,016,568)	(4,443,007)
Gains from Disposition of Environmental Credits	(181,352)	-	(181,352)
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>427,688,827</u>	<u>116,636,139</u>	<u>544,324,966</u>
NET OPERATING INCOME	98,061,490	41,166,562	139,228,052
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	3,085,693	-	3,085,693
Less: Expense of Merchandising, Jobbing and Contract Work	(215,872)	-	(215,872)
Revenues from Nonutility Operations	547,537	(290)	547,247
Interest & Dividend Income	1,797,334	816,448	2,613,782
Non Operating Rental Income	(2,845)	(2,686)	(5,531)
AFUDC	3,564,381	1,974,913	5,539,294
Gain on Disposition of Property	92,825	36,391	129,216
Loss on Disposition of Property	(136,597)	(34,914)	(171,511)
Misc. Income Deductions	(1,045,174)	(593,050)	(1,638,224)
Taxes Other than Income Taxes	-	-	-
Income Taxes - Federal & Other	(4,916,817)	7,463,360	2,546,543
Provision for Deferred Income Taxes - Net	3,525,582	(7,897,733)	(4,372,151)
Total Other Income & Deductions	<u>6,296,047</u>	<u>1,762,439</u>	<u>8,058,486</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(26,896,481)	(14,009,122)	(40,905,603)
Amortization of Debt Disc. And Expense	(379,663)	(196,337)	(576,000)
Amortization of Loss on Reacquired Debt	(46,443)	(24,894)	(71,337)
Interest on Debt to Assoc. Co.	(775,408)	(416,056)	(1,191,464)
Other Interest Expense	(2,415,038)	(82,173)	(2,497,211)
Less: Allowance for Borrowed Fund Used During Construction - Credit	1,365,265	788,714	2,153,979
Net interest Charges	<u>(29,147,768)</u>	<u>(13,939,868)</u>	<u>(43,087,636)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>75,209,769</u>	<u>28,989,133</u>	<u>104,198,902</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of August 31, 2025
(Unaudited)

	Actuals July-25	Activity	Actuals August-25
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	904,204,958	149,323,712	1,053,528,670
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	3,686,828	(23,869)	3,662,959
Total Long-term debt	932,891,786	149,299,843	1,082,191,629
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	605,524,394	-	605,524,394
Unappropriated Retained Earnings - Current Year Net Income	58,842,287	11,227,491	70,069,778
Total Common Stock Equity	1,166,358,118	11,227,491	1,177,585,609
 TOTAL CAPITALIZATION	 \$ 2,099,249,904	 \$ 160,527,334	 \$ 2,259,777,238
	-	-	-

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 \$3.8M of lease liabilities resulting from the implementation of ASC 842 in January 2019.