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VIA ELECTRONIC DELIVERY

October 12, 2026

Mr. Justin McNeil
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615
PSCED@ky.gov

RECEIVED

OCT 12 2026

**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 Mr. McNeil:

Enclosed please find Duke Energy Kentucky, Inc.'s financial statements for the end of August 2026, per order by the Commission in the above-referenced case.

If you have any questions regarding the financial statements, please contact Tina Riebesell at tina.riebesell@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, 2026
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,746,590,372
Construction Work in Progress	143,808,939
Less: Accumulated Depreciation	<u>(1,247,309,742)</u>
Net Utility Plant	<u>2,643,089,569</u>
Nonutility Property	488,254
Other Investments	1,500
Other Special Funds	23,513,770
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	<u>24,003,524</u>
Cash	781,436
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	51,546,441
Other Accounts Receivable	13,164,897
Less: Provision for Uncollectibles	(3,753,399)
Notes Receivable from Assoc. Co.	-
Accounts Receivable from Assoc. Co.	414
Fuel Stock	30,460,250
Gas Stored Underground Inventory	3,848,277
Plant Materials & Operating Supplies	47,209,192
Other Materials & Supplies	-
Stores Expense Undistributed	916,618
Prepayments	1,395,836
Emission Allowances	17,101
Derivative Instrument Assets	5,037,784
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	5,046,984
Accrued Utility Revenue	27,238,148
Rents Receivable	4,498
Total Current & Accrued Assets	<u>182,914,477</u>
Unamortized Debt Expense	3,345,906
Other Regulatory Assets	94,202,472
Preliminary Survey & Investigation	2,497,449
Clearing Accounts	108,321
Temporary Facilities	16,457
Miscellaneous Deferred Debits	7,695,854
Unamortized Loss on Reacquired Debt	14,271
Accumulated Deferred Income Taxes	83,159,518
Unrecovered Purchased Gas Costs	14,998,537
Total Deferred Debits	<u>206,038,785</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>3,056,046,355</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of August 31, 2026
(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	729,787,590
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	<u>1,231,779,027</u>
<u>Liabilities</u>	
Bonds	916,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(116,809)
Total Long-Term Debt	<u>941,603,191</u>
Obligations Under Capital Leases - Noncurrent	3,034,501
Asset Retirement Obligation	79,418,946
Long-Term Portion of Derivative Instrument Liabilities	345,313
Accum. Misc. Operating Provisions	29,324,538
Total Other Noncurrent Liabilities	<u>112,123,298</u>
Accounts Payable	46,752,632
Notes Payable to Assoc. Co.	68,067,000
Accounts Payable to Assoc. Co.	21,235,158
Customer Deposits	8,585,692
Taxes Accrued	18,785,408
Interest Accrued	13,603,313
Tax Collections Payable	3,524,474
Misc. Current & Accrued Liabilities	25,151,073
Obligations Under Capital Leases - Current	244,922
Derivative Instrument Liabilities	722,522
Less: Long-Term Portion of Derivative Instrument Liabilities	(345,313)
Total Current & Accrued Liabilities	<u>206,326,881</u>
Customer Advances for Construction	9,224,811
Accum. Deferred Investment Tax Credits	5,135,705
Other Deferred Credits	26,711,481
Other Regulatory Liabilities	106,210,197
Accumulated Deferred Income Taxes	416,931,764
Total Deferred Credits	<u>564,213,958</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>3,056,046,355</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended August 31, 2026
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	215,374,017	119,663,804	335,037,821
Commercial Sales	183,370,985	46,417,502	229,788,487
Industrial Sales	68,574,376	1,703,167	70,277,543
Sales to Public Authorities	26,441,423	2,380,511	28,821,934
Public Street & Highway Lighting	365,668	-	365,668
Inter-Departmental Sales	47,062	34,901	81,963
Misc. Service Revenues	(967,114)	21,958	(945,156)
Revenues from Transportation	-	12,000,875	12,000,875
Sales for Resale	79,151,741	-	79,151,741
Rents from Property	2,370,605	-	2,370,605
Other Revenues	18,537,232	3,471,301	22,008,533
Total Revenues	593,265,995	185,694,019	778,960,014
<u>Operating Expenses</u>			
Operation Expense	317,332,409	90,027,373	407,359,782
Maintenance Expense	28,015,760	2,905,898	30,921,658
Depreciation Expense	92,216,655	26,600,378	118,817,033
Amortization and Depletion	58,953	2,405,832	2,464,785
Taxes Other than Income Taxes	15,938,440	5,794,479	21,732,919
Income Taxes - Federal & Other	20,238,000	1,255,474	21,493,474
Provision for Deferred Income Taxes - Net	3,276,158	9,901,754	13,177,912
Gains from Disposition of Environmental Credits	(225,949)	-	(225,949)
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	476,850,426	138,891,188	615,741,614
NET OPERATING INCOME	116,415,569	46,802,831	163,218,400
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	3,212,729	-	3,212,729
Less: Expense of Merchandising, Jobbing and Contract Work	(160,197)	-	(160,197)
Revenues from Nonutility Operations	352,554	(1,939)	350,615
Interest & Dividend Income	607,265	224,599	831,864
Non Operating Rental Income	(3,053)	(2,991)	(6,044)
AFUDC	2,198,393	954,875	3,153,268
Gain on Disposition of Property	45,104	18,193	63,297
Loss on Disposition of Property	(651)	(457)	(1,108)
Misc. Income Deductions	(645,484)	(293,875)	(939,359)
Taxes Other than Income Taxes	-	-	-
Income Taxes - Federal & Other	(3,000,296)	1,405,946	(1,594,350)
Provision for Deferred Income Taxes - Net	1,298,428	(1,441,793)	(143,365)
Total Other Income & Deductions	3,904,792	862,558	4,767,350
<u>Interest Charges</u>			
Interest on Long Term Debt	(29,158,169)	(16,045,138)	(45,203,307)
Amortization of Debt Disc. And Expense	(398,753)	(213,527)	(612,280)
Amortization of Loss on Reacquired Debt	(9,953)	(5,616)	(15,569)
Interest on Debt to Assoc. Co.	(1,551,375)	(893,350)	(2,444,725)
Other Interest Expense	(2,746,810)	(142,677)	(2,889,487)
Less: Allowance for Borrowed Fund Used During Construction - Credit	1,636,199	756,186	2,392,385
Net interest Charges	(32,228,861)	(16,544,122)	(48,772,983)
Extraordinary Items after Taxes	-	-	-
NET INCOME	88,091,500	31,121,267	119,212,767

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of August 31, 2026
(Unaudited)

	Actuals July-26	Activity	Actuals August-26
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	913,853,454	(76,591,266)	837,262,188
Advances from Associated Companies	25,000,000	-	25,000,000
Obligations under Capital Lease-Noncurrent	3,055,623	(21,122)	3,034,501
Total Long-term debt	941,909,077	(76,612,388)	865,296,689
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	642,012,542	-	642,012,542
Unappropriated Retained Earnings - Current Year Net Income	82,148,338	5,626,711	87,775,049
Total Common Stock Equity	1,226,152,317	5,626,711	1,231,779,028
 TOTAL CAPITALIZATION	 \$ 2,168,061,394	 \$ (70,985,677)	 \$ 2,097,075,717
	-	-	-

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.