COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE ADJUSTMENT
OF ELECTRIC RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2024-00354

FILING REQUIREMENTS

VOLUME 1

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Forecasted Test Period Filing Requirements
Table of Contents

1	6	807 KAR 5:001 Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	Amy B. Spiller
1	7	807 KAR 5:001 Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	Amy B. Spiller
1	8	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	Amy B. Spiller Sarah E. Lawler
1	9	807 KAR 5:001 Section 16 (1)(b)(2)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	Amy B. Spiller
1	10	807 KAR 5:001 Section 16 (1)(b)(3)	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed	Bruce L. Sailers
1	11	807 KAR 5:001 Section 16 (1)(b)(4)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Bruce L. Sailers
1	12	807 KAR 5:001 Section 16 (1)(b)(5)	A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.	Amy B. Spiller
1	13	807 KAR 5:001 Section 16(2)	If gross annual revenues exceed $5,000,000, written notice of intent filed at least 30 days, but not more than 60 days prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Amy B. Spiller
1	14	807 KAR 5:001 Section 16(3)	Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.	Amy B. Spiller
1	15	807 KAR 5:001 Section 16(6)(a)	The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.	Grady "Tripp" S. Carpenter
1	16	807 KAR 5:001 Section 16(6)(b)	Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.	Lisa D. Steinkuhl Grady "Tripp" S. Carpenter Sharif S. Mitchell Jacob S. Colley
1	17	807 KAR 5:001 Section 16(6)(c)	Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.	Lisa D. Steinkuhl
1	18	807 KAR 5:001 Section 16(6)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Grady "Tripp" S. Carpenter

1	19	807 KAR 5:001 Section 16(6)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Grady "Tripp" S. Carpenter
1	20	807 KAR 5:001 Section 16(6)(f)	The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.	Lisa D. Steinkuhl
1	21	807 KAR 5:001 Section 16(7)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All Witnesses
1	22	807 KAR 5:001 Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Grady "Tripp" S. Carpenter William C. Luke Marc W. Arnold
1	23	807 KAR 5:001 Section 16(7)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Grady "Tripp" S. Carpenter
1	24	807 KAR 5:001 Section 16(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Grady "Tripp" S. Carpenter
1	25	807 KAR 5:001 Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	Amy B. Spiller
1	26	807 KAR 5:001 Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	Grady "Tripp" S. Carpenter William C. Luke Marc W. Arnold
1	27	807 KAR 5:001 Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Grady "Tripp" S. Carpenter William C. Luke Marc W. Arnold

1	28	807 KAR 5:001 Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10.Labor cost changes; 11.Capital structure requirements; 12.Rate base; 13.Gallons of water projected to be sold (water); 14.Customer forecast (gas, water); 15.MCF sales forecasts (gas); 16.Toll and access forecast of number of calls and number of minutes (telephone); and 17.A detailed explanation of any other information provided.	Grady "Tripp" S. Carpenter John D. Swez Ibrar A. Khera
1	29	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	Danielle L. Weatherston
1	30	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	Thomas J. Heath, Jr.
1	31	807 KAR 5:001 Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	Danielle L. Weatherston
2	32	807 KAR 5:001 Section 16(7)(l)	Annual report to shareholders or members and statistical supplements for the most recent 2 years prior to application filing date.	Thomas J. Heath, Jr.
3	33	807 KAR 5:001 Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Danielle L. Weatherston
3	34	807 KAR 5:001 Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	Danielle L. Weatherston
3	35	807 KAR 5:001 Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	Danielle L. Weatherston Grady "Tripp" S. Carpenter
3-9	36	807 KAR 5:001 Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	Danielle L. Weatherston
9	37	807 KAR 5:001 Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	Danielle L. Weatherston
9	38	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	Thomas J. Heath, Jr.

9	39	807 KAR 5:001 Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
9	40	807 KAR 5:001 Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Lisa D. Steinkuhl
9	41	807 KAR 5:001 Section 16(7)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Rebekah E. Buck
10	42	807 KAR 5:001 Section 16(7)(v)	If gas, electric or water utility with annual gross revenues greater than $5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	James E. Ziolkowski
10	43	807 KAR 5:001 Section 16(7)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than $1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	N/A
10	44	807 KAR 5:001 Section 16(8)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Lisa D. Steinkuhl

10	45	807 KAR 5:001 Section 16(8)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Lisa D. Steinkuhl Sharif S. Mitchell Grady "Tripp" S. Carpenter John R. Panizza James E. Ziolkowski Danielle L. Weatherston
10	46	807 KAR 5:001 Section 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Lisa D. Steinkuhl
10	47	807 KAR 5:001 Section 16(8)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Lisa D. Steinkuhl Sharif S. Mitchell Grady "Tripp" S. Carpenter Jacob S. Colley James E. Ziolkowski
10	48	807 KAR 5:001 Section 16(8)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	John R. Panizza
10	49	807 KAR 5:001 Section 16(8)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Lisa D. Steinkuhl
10	50	807 KAR 5:001 Section 16(8)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Lisa D. Steinkuhl Shannon A. Caldwell
10	51	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Lisa D. Steinkuhl
10	52	807 KAR 5:001 Section 16(8)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	Danielle L. Weatherston Grady "Tripp" S. Carpenter
10	53	807 KAR 5:001 Section 16(8)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Thomas J. Heath, Jr.
10	54	807 KAR 5:001 Section 16(8)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Sharif S. Mitchell Grady "Tripp" S. Carpenter Thomas J. Heath, Jr. Danielle L. Weatherston
10	55	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Bruce L. Sailers
10	56	807 KAR 5:001 Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Bruce L. Sailers
10	57	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Bruce L. Sailers
10	58	807 KAR 5:001 Section 16(9)	The commission shall notify the applicant of any deficiencies in the application within thirty (30) days of the application's submission. An application shall not be accepted for filing until the utility has cured all noted deficiencies.	Sarah E. Lawler

10	59	807 KAR 5:001 Section 16(10)	Request for waivers from the requirements of this section shall include the specific reasons for the request. The commission shall grant the request upon good cause shown by the utility.	Legal
10	60	807 KAR 5:001 Section (17)(1)	(1) Public postings. (a) A utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission. (b) A utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites: 1. A copy of the public notice; and 2. A hyperlink to the location on the commission's Web site where the case documents are available. (c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.	Amy B. Spiller
10	61	807 KAR 5:001 Section 17(2)	(2) Customer Notice. (a) If a utility has twenty (20) or fewer customers, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission. (b) If a utility has more than twenty (20) customers, it shall provide notice by: 1. Including notice with customer bills mailed no later than the date the application is submitted to the commission; 2. Mailing a written notice to each customer no later than the date the application is submitted to the commission; 3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or 4. Publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission. (c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.	Amy B. Spiller

10	62	807 KAR 5:001 Section 17(3)	(3) Proof of Notice. A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission: (a) If notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing; (b) If notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or (c) If notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.	Amy B. Spiller

10	63	807 KAR 5:001 Section 17(4)	(4) Notice Content. Each notice issued in accordance with this section shall contain: (a) The proposed effective date and the date the proposed rates are expected to be filed with the commission; (b) The present rates and proposed rates for each customer classification to which the proposed rates will apply; (c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply; (d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service; (e) A statement that a person may examine this application at the offices of (utility name) located at (utility address); (f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at http://psc.ky.gov; (g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; (h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice; (i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and (j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.	Bruce L. Sailers
10	64	807 KAR 5:001 Section 17(5)	(5) Abbreviated form of notice. Upon written request, the commission may grant a utility permission to use an abbreviated form of published notice of the proposed rates, provided the notice includes a coupon that may be used to obtain all the required information.	N/A

11	-	807 KAR 5:001 Section 16(8)(a) through (k)	Schedule Book (Schedules A-K)	Various
12	-	807 KAR 5:001 Section 16(8)(l) through (n)	Schedule Book (Schedules L-N)	Bruce L. Sailers
13	-	-	Work Papers	Various
14	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 4)	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 4)	Various
16	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 4)	Various
17	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 4 of 4)	Various
18-19	-	KRS 278.2205(6)	Cost Allocation Manual	Legal

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR KRS 278.180

KRS 278.180

Description of Filing Requirement:

Provide thirty (30) days' notice of rate change to Kentucky Public Service Commission.

Response:

See attached.

Sponsoring Witness:

Amy B. Spiller

Amy B. Spiller
President
Duke Energy Kentucky

139 E. 4th Street
Room 1409-M
Cincinnati, OH 45202

513.287.4359
amy.spiller@duke-energy.com

VIA ELECTRONIC MAIL: PSCED@ky.gov

November 1, 2024

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

RECEIVED
NOV 01 2024
PUBLIC SERVICE COMMISSION

RE: Case No. 2024-00354
The Electronic Application of Duke Energy Kentucky, Inc., for: 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All Other Required Approvals and Relief.

Dear Ms. Bridwell:

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company) notifies the Commission that it will file a general electric rate case in thirty days or reasonably soon thereafter.[1] Duke Energy Kentucky will use a forward-looking test period for this case.

Duke Energy Kentucky is contemporaneously filing a Notice of Election of use of Electronic Filing Procedures for this proceeding. Please assign this matter a case number and style and advise us of same so that it can be incorporated in the application and supporting testimony before filing with the Commission.

Duke Energy Kentucky is providing a copy of this notice to the Attorney General's Utility Intervention and Rate Division. We will work diligently with the Commission and our other stakeholders to seek a constructive resolution. Thank you for your consideration.

Sincerely,

Amy B. Spiller

Amy B. Spiller

cc: Hon. John G. Horne, II (via email: rateintervention@ag.ky.gov)

[1] Duke Energy Kentucky provides this notice pursuant to Commission regulation 807 KAR 5:001 Section 16(2).

DUKE ENERGY.

Mailing Address
139 East Fourth Street
1303-Main
Cincinnati, Ohio 45202

o 513-287-4320
f 513-370-5720

Rocco.D'Ascenzo@duke-energy.com
Rocco O. D'Ascenzo
Deputy General Counsel

VIA ELECTRONIC MAIL: PSCED@ky.gov

November 1, 2024

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

RE: Case No. 2024- 00354
The Electronic Application of Duke Energy Kentucky, Inc., for: 1) An Adjustment of the Electric Rates; 2) Approval of New Tariffs; 3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and 4) All Other Required Approvals and Relief.

Dear Ms. Bridwell:

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or the Company), pursuant to 807 KAR 5:001, Section 8, is requesting to use the electronic filing procedures set forth in that regulation. Duke Energy Kentucky intends to file on or after December 2, 2024, an Application for Authority to Adjust Electric Rates, Approval of New Tariffs, Approval of Accounting Practices to Establish Regulatory Assets and Liabilities, and for All Other Required Approvals and Relief. The Company would like to utilize the electronic filing procedures when filing documents in this case. As such, I have enclosed a completed *Notice of Election of Use of Electronic Filing Procedures* as required by the Commission.

Should you have any questions regarding the enclosed, please do not hesitate to contact me.

Sincerely,

/s/Rocco D'Ascenzo
Rocco O. D'Ascenzo, Esq.
Deputy General Counsel

Case No. 2024-00354

Notice of Election to Use Electronic Filing Procedures
Revised June 2014

NOTICE OF ELECTION OF USE OF ELECTRONIC FILING PROCEDURES
(Complete All Shaded Areas and Check Applicable Boxes)

In accordance with 807 KAR 5:001, Section 8, Duke Energy Kentucky, Inc. gives notice of its intent to file an application for an adjustment of the Electric Rates, etc... with the Public Service Commission no later than December 2, 2024 and to use the electronic filing procedures set forth in that regulation.

Duke Energy Kentucky, Inc. further states that:

		Yes	No
1.	It requests that the Public Service Commission assign a case number to the intended application and advise it of that number as soon as possible;	[X]	[ ]
2.	It or its authorized representatives have registered with the Public Service Commission and are authorized to make electronic filings with the Public Service Commission;	[X]	[ ]
3.	Neither it nor its authorized representatives have registered with the Public Service Commission for authorization to make electronic filings but will do so no later than seven days before the date of its filing of its application for rate adjustment;	[ ]	[X]
4.	It or its authorized agents possess the facilities to receive electronic transmissions;	[X]	[ ]

5. The following persons are authorized to make filings on its behalf and to receive electronic service of Public Service Commission orders and any pleadings filed by any party or the Public Service Commission Staff:

Name	Electronic Mail Address
Rocco D'Ascenzo	rocco.d'ascenzo@duke-energy.com
Larisa M. Vaysman Elizabeth Brama	larisa.vaysman@duke-energy.com EBrama@taftlaw.com
Minna Sunderman Debbie Gates	minna.sunderman@duke-energy.com debbie.gates@duke-energy.com

		Yes	No
6.	It and its authorized representatives listed above have read and understand the procedures for electronic filing set forth in 807 KAR 5:001 and will fully comply with those procedures unless the Public Service Commission directs otherwise.	[X]	[ ]

Signed /s/Rocco D'Ascenzo

Name: Rocco O. D'Ascenzo
Title: Deputy General Counsel
Address: 139 East Fourth Street, 1303-Main
Cincinnati, Ohio 45202
Telephone Number: 513-287-4320

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 7(1)

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807 KAR 5:001, SECTION 7(1)

Description of Filing Requirement:

Unless the Commission orders otherwise or the electronic filing procedures established in Section 8 of this administrative regulation are used, if a paper is filed with the commission, an original unbound and ten (10) additional copies in paper medium shall be filed.

Response:

Duke Energy Kentucky elected, and was approved for, the use of electronic filing procedures in this matter. As such, in accordance with 807 KAR 5:001, Section 8(3) and the permanent deviation granted in Case No. 2020-00085,[1] the Company will retain the original filing in paper medium.

Witness Responsible:

Amy B. Spiller

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[1] *In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, Order, Case No. 2020-00085 (Ky. P.S.C. July 22, 2021).

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 12(2)(a) through (i)

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807 KAR 5:001, SECTIONS 12(2)(a) through 12(2)(i)

Description of Filing Requirements:

Section 12(2)(a)

- Amount and kinds of stock authorized.

Section 12(2)(b)

- Amount and kinds of stock issued and outstanding.

Section 12(2)(c)

- Terms of preference of preferred stock, cumulative or participating, or on dividends or assets or otherwise.

Section 12(2)(d)

- A brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee or trustee, amount of indebtedness authorized to be secured, and the amount of indebtedness actually secured, together with sinking fund provisions, if applicable.

Section 12(2)(e)

- The amount of bonds authorized and amount issued, giving the name of the public utility that issued the same, describing each class separately and giving the date of issue, face value, rate of interest, date of maturity, and how secured, together with amount of interest paid during the last fiscal year.

Section 12(2)(f)

- Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid during the last fiscal year.

Section 12(2)(g)

- Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of a portion of the indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid during the last fiscal year.

Section 12(2)(h)

- The rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.

Section 12(2)(i)

- A detailed Income Statement and Balance Sheet

Response:

See attached.

Sponsoring Witness:

Thomas J. Heath, Jr. – Sections 12(2)(a)-(h)
Danielle L. Weatherston – Section 12(2)(i)

FINANCIAL EXHIBIT

(1) Section 12(2)(a) Amount and kinds of stock authorized.

1,000,000 shares of Capital Stock $15 par value amounting to $15,000,000 par value.

(2) Section 12(2)(b) Amount and kinds of stock issued and outstanding.

585,333 shares of Capital Stock $15 par value amounting to $8,779,995 total par value. Total Capital Stock and Additional Paid-in Capital as of September 30, 2024:

Capital Stock and Additional Paid-in Capital
As of September 30, 2024
($ per 1,000)

Capital Stock	$8,780
Premiums thereon	18,839
Total Capital Contributions from Parent (since 2006)	353,150
Contribution from Parent Company for Purchase of Generation Assets	140,061
Total Capital Stock and Additional Paid-in-Capital	$520,830

(3) Section 12(2)(c) Terms of preference or preferred stock, cumulative or participating, or on dividends or assets or otherwise.

There is no preferred stock authorized, issued or outstanding.

(4) Section 12(2)(d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name or mortgagee, or trustee, amount of indebtedness authorized to be secured, and the amount of indebtedness actually secured, together with any sinking fund provision.

Duke Energy Kentucky does not have any liabilities secured by a mortgage.

(5) **Section 12(2)(e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving the date of issue, face value, rate of interest, date of maturity and how secured, together with the amount of interest paid thereon during the last fiscal year.**

The Company has 16 outstanding issues of unsecured senior debentures issued under an Indenture dated December 1, 2004, between itself and Deutsche Bank Trust Company Americas, as Trustee, as supplemented by eight Supplemental Indentures. The Indenture allows the Company to issue debt securities in an unlimited amount from time to time. The Debentures issued and outstanding under the Indenture are the following:

Supplemental Indenture	Date of Issue	Principal Amount Authorized and Issued	Principal Amount Outstanding	Rate of Interest	Date of Maturity	Interest Paid Year 2023
1st Supplemental	3/7/2006	65,000,000	65,000,000	6.200%	3/10/2036	4,030,000
3rd Supplemental	1/5/2016	45,000,000	45,000,000	3.420%	1/15/2026	1,539,000
3rd Supplemental	1/5/2026	50,000,000	50,000,000	4.450%	1/15/2046	2,225,000
4th Supplemental	9/7/2027	30,000,000	30,000,000	3.350%	9/15/2029	1,005,000
4th Supplemental	9/7/2017	30,000,000	30,000,000	4.110%	9/15/2047	1,233,000
4th Supplemental	9/7/2017	30,000,000	30,000,000	4.260%	9/15/2057	1,278,000
5th Supplemental	10/3/2018	40,000,000	40,000,000	4.180%	10/15/2028	1,672,000
5th Supplemental	12/12/2018	35,000,000	35,000,000	4.620%	12/15/2048	1,617,000
6th Supplemental	7/17/2019	40,000,000	40,000,000	4.320%	7/15/2049	1,728,000
7th Supplemental	9/26/2019	95,000,000	95,000,000	3.230%	10/01/2025	3,068,500
7th Supplemental	9/26/2019	75,000,000	75,000,000	3.560%	10/01/2029	2,670,000
8th Supplemental	9/15/2020	35,000,000	35,000,000	2.650%	9/15/2030	927,500
8th Supplemental	9/15/2020	35,000,000	35,000,000	3.660%	9/15/2050	1,281,000
9th Supplemental	6/28/2024	80,000,000	80,000,000	5.900%	7/15/2031	-
9th Supplemental	6/28/2024	95,000,000	95,000,000	6.000%	7/15/2034	-
9th Supplemental	6/28/2024	50,000,000	50,000,000	6.170%	7/15/2039	-
			830,000,000			24,274,000

(6) **Section 12(2)(f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.**

Not applicable.

(7) <u>Section 12(2)(g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.</u>

The Company has two series of Pollution Control Revenue Refunding Bonds issued under a Trust Indenture dated as of August 1, 2006 and a Trust Indenture dated as of December 1, 2008, between the County of Boone, Kentucky and Deutsche Bank National Trust Company as Trustee. The Company's obligation to make payments equal to debt service on the Bonds is evidenced by a Loan Agreement dated as of August 1, 2006 and December 1, 2008 between the County of Boone, Kentucky and Duke Energy Kentucky. The Bonds issued under the Indentures are below. On November 1, 2021, the Company bought in the Series 2008A bond, and remarketed the bond in June 2022.

Indenture	Date of Issue	Principal Amount Authorized and Issued	Principal Amount Outstanding	Rate of Interest	Date of Maturity	Interest Paid Year 2023
Series 2010	2/1/2012	26,720,000	26,720,000	3.86% [1]	8/1/2027	1,031,392
Series 2008A	6/27/2022	50,000,000	50,000,000	3.70%	8/1/2027	1,850,000
			76,720,000			2,881,392

[1] The bonds were issued at a variable-rate and were swapped to a fixed rate of 3.86% for the life of the debt. The average floating-rate of interest on the bonds for 2023 was 3.41%.

The Company has no outstanding financing leases as of September 30, 2024.

The Company also has $25,000,000 of money pool borrowings outstanding as of September 30, 2024, $25,000,000 of which is classified as Long-Term Debt payable to affiliated companies. This obligation, which is short-term by nature, is classified as long-term due to Duke Energy Kentucky's intent and ability to utilize such borrowings as long-term financing.

(8) **Section 12(2)(h) Rate and amouut of dividends paid during the last five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.**

DIVIDENDS PER SHARE

Year Ending	Per Share	Total	No. of Shares	Par Value of Stock
December 31, 2019	0	0	585,333	8,779,995
December 31, 2020	0	0	585,333	8,779,995
December 31, 2021	0	0	585,333	8,779,995
December 31, 2022	0	0	585,333	8,779,995
December 31, 2023	0	0	585,333	8,779,995

(9) **Section 12(2)(i) A detailed Income Statement and Balance Sheet**

FINANCIAL STATEMENTS

DUKE ENERGY KENTUCKY, INC.
Condensed Statements of Operations
(Unaudited)

	Nine Months Ended September 30,	
(in thousands)	2024	2023
Operating Revenues		
Electric	$ 389,189	$ 331,201
Natural gas	90,927	91,359
Total operating revenues	480,116	422,560
Operating Expenses		
Fuel used in electric generation and purchased power	125,987	117,767
Cost of natural gas	30,816	32,659
Operation, maintenance and other	118,757	109,948
Depreciation and amortization	81,906	77,825
Property and other taxes	14,418	9,993
Impairment of assets and other charges	—	55
Total operating expenses	371,884	348,247
Gains on Sales of Other Assets and Other, net	322	459
Operating Income	108,554	74,772
Other Income and Expenses, net	7,992	6,588
Interest Expense	25,328	25,969
Income Before Income Taxes	91,218	55,391
Income Tax Expense	17,640	10,577
Net Income	$ 73,578	$ 44,814

DUKE ENERGY KENTUCKY, INC.
Condensed Balance Sheets
(Unaudited)

(in thousands, except share amounts)	September 30, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 933	$ 3,067
Receivables (net of allowance for doubtful accounts of $3,450 at 2024 and $746 at 2023)	75,941	18,423
Receivables from affiliated companies	27	88,411
Notes receivable from affiliated companies	36,716	—
Inventory	54,344	67,144
Regulatory assets	16,283	21,018
Other	11,439	40,926
Total current assets	195,683	238,989
Property, Plant and Equipment		
Cost	3,538,462	3,393,659
Accumulated depreciation and amortization	(1,176,829)	(1,138,125)
Net property, plant and equipment	2,361,633	2,255,534
Other Noncurrent Assets		
Regulatory assets	106,411	109,530
Operating lease right-of-use assets, net	4,242	7,430
Other	23,148	20,579
Total other noncurrent assets	133,801	137,539
Total Assets	$ 2,691,117	$ 2,632,062
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 41,288	$ 62,341
Accounts payable to affiliated companies	24,365	16,752
Notes payable to affiliated companies	—	92,903
Taxes accrued	22,937	28,814
Interest accrued	10,293	7,678
Asset retirement obligations	7,331	6,363
Regulatory liabilities	13,389	14,554
Other	14,780	16,230
Total current liabilities	134,383	245,635
Long-Term Debt	903,882	679,562
Long-Term Debt Payable to Affiliated Companies	25,000	25,000
Other Noncurrent Liabilities		
Deferred income taxes	312,357	308,905
Asset retirement obligations	80,167	81,655
Regulatory liabilities	99,041	103,577
Operating lease liabilities	4,261	7,491
Accrued pension and other post-retirement benefit costs	28,919	26,906
Other	23,468	22,984
Total other noncurrent liabilities	548,213	551,518
Commitments and Contingencies		
Equity		
Common stock, $15.00 par value, 1,000,000 shares authorized and 585,333 shares outstanding	8,780	8,780
Additional paid-in capital	493,211	477,494
Retained earnings	577,648	644,073
Total equity	1,079,639	1,130,347
Total Liabilities and Equity	$ 2,691,117	$ 2,632,062

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 14(1)

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807 KAR 5:001, SECTION 14(1)

Description of Filing Requirement:

Each application shall state the full name, mailing address, and electronic mail address of the applicant, and shall contain fully the facts on which the application is based, with a request for the order, authorization, permission, or certificate desired and a reference to the particular law requiring or providing for the information.

Response:

See application submitted in this proceeding.

Sponsoring Witness:

Amy B. Spiller

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 14(2)

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807 KAR 5:001, SECTION 14(2)

Description of Filing Requirement:

If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.

Response:

See attached.

Sponsoring Witness:

Amy B. Spiller

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Certificate of Existence

Authentication number: 323596
Visit https://web.sos.ky.gov/ftshow/certvalidate.aspx to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

DUKE ENERGY KENTUCKY, INC.

DUKE ENERGY KENTUCKY, INC. is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is March 20, 1901 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 26th day of November, 2024, in the 233rd year of the Commonwealth.

COMMONWEALTH OF KENTUCKY
OFFICE OF SECRETARY OF STATE

Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
323596/0052929

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 14(3)

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807 KAR 5:001, SECTION 14(3)

Description of Filing Requirement:

If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.

Response:

Duke Energy Kentucky is a corporation; therefore, this requirement does not apply.

Sponsoring Witness:

Amy B. Spiller

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 14(4)

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807 KAR 5:001, SECTION 14(4)

Description of Filing Requirement:

If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.

Response:

Duke Energy Kentucky is a corporation; therefore, this requirement does not apply.

Sponsoring Witness:

Amy B. Spiller

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(1)(b)(1)

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807 KAR 5:001, SECTION 16(1)(b)(1)

Description of Filing Requirement:

Statement of the reason the adjustment is required.

Response:

1) Duke Energy Kentucky's current base rates reflect its cost of service as prepared in 2022. At current rates, the Company's calculated rate of return on rate base for the test period is 3.886% which is not sufficient to enable the Company to furnish safe, efficient and reliable service and to have the opportunity to earn a fair rate of return on its investments.
2) Duke Energy Kentucky needs to adjust its current costs of service to reflect its capital investments and operations and maintenance of its electric operations that have changed since its 2022 case.
   a. The thirteen-month average of gross plant in the forecasted test period for this case is $2.430 billion, as compared to approximately $2.180 billion approved in the 2022 rate case. The depreciation, property taxes, and return on this increased investment are the primary drivers of the need for new rates.
3) Other drivers include:
   a. The alignment of depreciation rates with the estimated useful life of the East Bend generating station;

b. The inclusion of terminal net salvage in depreciation expense for East Bend and Woodsdale generating stations;

c. The need to commence recovery of authorized deferrals (*e.g.*, Planned Outage O&M, and Forced Outage Purchased Power); and

d. Increases in Network Integration Transmission Service costs.

Please refer to the direct testimony of Duke Energy Kentucky witnesses Amy B. Spiller and Sarah E. Lawler.

Sponsoring Witness:

Amy B. Spiller
Sarah E. Lawler

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(1)(b)(2)

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807 KAR 5:001, SECTION 16(1)(b)(2)

Description of Filing Requirement:

A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that a certificate is not necessary.

Response:

Duke Energy Kentucky transacts business using the following assumed name: Duke Energy.

A certified copy of the Company's certificate of assumed name is attached.

Sponsoring Witness:

Amy B. Spiller

COMMONWEALTH OF KENTUCKY

Michael G. Adams
Secretary of State

Certificate

I, Michael G. Adams, Secretary of State for the Commonwealth of Kentucky, do hereby certify that the foregoing writing has been carefully compared by me with the original thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of

> RENEWAL OF CERTIFICATE OF ASSUMED NAME OF DUKE ENERGY FOR DUKE ENERGY KENTUCKY, INC. FILED FEBRUARY 10, 2021.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 2nd day of December, 2024.

COMMONWEALTH OF KENTUCKY
OFFICE OF SECRETARY OF STATE

Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
kdcoleman/0052929 - Certificate ID: 323712

C227
0052929.04
Michael G. Adams
KY Secretary of State
Received and Filed
2/10/2021 2:15:11 PM
Fee receipt: $20.00

Commonwealth of Kentucky
Michael G. Adams, Secretary of St

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Renewal Certificate of Assumed Name

REN

This certifies that the assumed name of

DUKE ENERGY

is hereby renewed by

DUKE ENERGY KENTUCKY, INC.

a business entity organized and existing in the state of Kentucky.

Signatures

Signature	Kenna C. Jordan
Title	Assistant Corporate Secretary
Date	2/10/2021 2:15:11 PM

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(1)(b)(3)

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807 KAR 5:001, SECTION 16(1)(b)(3)

Description of Filing Requirement:

New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.

Response:

The proposed tariffs are at Schedule L-1.

Sponsoring Witness:

Bruce L. Sailers

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(1)(b)(4)

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807 KAR 5:001, SECTION 16(1)(b)(4)

Description of Filing Requirement:

New or revised tariff sheets, if applicable, identified in compliance with 807 KAR 5:011, shown either by providing:

a. The present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or

b. A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.

Response:

See Schedules L-2.1 and L-2.2.

Sponsoring Witness:

Bruce L. Sailers

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(1)(b)(5)

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807 KAR 5:001, SECTION 16(1)(b)(5)

Description of Filing Requirement:

A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.

Response:

See attached.

Sponsoring Witness:

Amy B. Spiller

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF DUKE ENERGY KENTUCKY, INC., FOR: 1) AN ADJUSTMENT OF THE ELECTRIC RATES; 2) APPROVAL OF NEW TARIFFS; 3) APPROVAL OF ACCOUNTING PRACTICES TO ESTABLISH REGULATORY ASSETS AND LIABILITIES; AND 4) ALL OTHER REQUIRED APPROVALS AND RELIEF.	)))))))	CASE NO. 2024-00354

CERTIFICATE OF NOTICE

Pursuant to the Kentucky Public Service Commission's Regulation 807 KAR 5:001, Section 16(1)(b)(5), I hereby certify that I am Amy B. Spiller, President of Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), a utility furnishing retail electric and gas service within the Commonwealth of Kentucky, which, on the 2nd day of December 2024, filed an application with the Kentucky Public Service Commission for the approval of an adjustment of the electric rates, terms, conditions, and tariffs of Duke Energy Kentucky and that notice to the public of the issuing of the same is being given in all respects as required by 807 KAR 5:001, Section 17 and 807 KAR 5:001, Section 8(2), as follows:

On the 2nd day of December 2024, the notice to the public was delivered for exhibition and public inspection at 1262 Cox Road, Erlanger, Kentucky 41018 and the same will be kept open to public inspection at said office in conformity with the requirements of 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(1).

I further certify that more than twenty (20) customers will be affected by said change by way of an increase in their rates or charges and that on the 13th day of November 2024, there was delivered to the Kentucky Press Association, an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication therein once a week for three consecutive weeks beginning on or before December 2, 2024, a notice of the filing of Duke Energy Kentucky's application, including its proposed rates, a copy of said notice being attached hereto as Exhibit A, and a list of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, a copy of said list being attached hereto as Exhibit B. A certificate of publication of said notice will be furnished to the Kentucky Public Service Commission upon completion of same pursuant to 807 KAR 5:001, Section 17(3)(b).

Also beginning on December 2, 2024, Duke Energy Kentucky posted on its website a complete copy of the Company's notice and a hyperlink to the location on the Kentucky Public Service Commission's website where the case documents and tariff filings are available.

Given under my hand this 2nd day of December 2024.

Amy B. Spiller
President, Duke Energy Kentucky, Inc.
139 E. 4th Street
Cincinnati, Ohio 45202

Subscribed and sworn to before me, a Notary Public, in and before said County and State, this 2nd day of December 2024.

Notary Public

My Commission expires: July 8, 2027

NOTARY PUBLIC STATE OF OHIO

EMILIE SUNDERMAN
Notary Public
State of Ohio
My Comm. Expires
July 8, 2027

NOTICE

Duke Energy Kentucky, Inc. ("Duke Energy Kentucky" or "Company") hereby gives notice that, in an application to be filed no sooner than December 2, 2024, Duke Energy Kentucky will be seeking approval by the Public Service Commission, Frankfort, Kentucky of an adjustment of electric rates and charges proposed to become effective on and after January 2, 2025. The Commission has docketed this proceeding as Case No. 2024-00354.

The proposed electric rates are applicable to the following communities:

Alexandria	Elsmere	Ludlow
Bellevue	Erlanger	Melbourne
Boone County	Fairview	Newport
Bromley	Florence	Park Hills
Campbell County	Fort Mitchell	Pendleton County
Cold Spring	Fort Thomas	Ryland Heights
Covington	Fort Wright	Silver Grove
Crescent Park	Grant County	Southgate
Crescent Springs	Highland Heights	Taylor Mill
Crestview	Independence	Union
Crestview Hills	Kenton County	Villa Hills
Crittenden	Kenton Vale	Walton
Dayton	Lakeside Park	Wilder
Dry Ridge	Latonia Lakes	Woodlawn
Edgewood		

DUKE ENERGY KENTUCKY CURRENT AND PROPOSED ELECTRIC RATES & SIGNIFICANT TEXT CHANGES

Residential Service - Rate RS
(Electric Tariff Sheet No. 30)

	Current Rate	Proposed Rate
Customer Charge per month	\$13.00	\$16.00
Energy Charge per kWh		
All kWh	11.1639¢	13.0111¢

Service at Secondary Distribution Voltage-Rate DS
(Electric Tariff Sheet No. 40)

	Current Rate	Proposed Rate
Customer Charge per month		
Single Phase Service	\$15.00	\$15.00
Three Phase Service	\$30.00	\$30.00
Demand Charge per kW		
First 15 kW	\$0.00	\$0.00
Additional kilowatts	\$10.68	\$12.36
Energy Charge per kWh		
First 6,000 kWh	11.4788¢	13.2874¢
Next 300 kWh/kW	7.4619¢	8.6376¢
Additional kWh	6.3056¢	7.2989¢
Non-Church Cap Rate per kWh	30.7297¢	35.5714¢
Church Cap Rate per kWh	18.8652¢	21.8386¢

Time-of-Day Rate for Service at Distribution Voltage-Rate DT
(Electric Tariff Sheet No. 41)

	Current Rate		Proposed Rate	
	Summer	Winter	Summer	Winter
Customer Charge per month				
Single Phase Service	$63.50	$63.50	$64.00	$64.00
Three Phase Service	$127.00	$127.00	$128.00	$128.00
Primary Voltage Service	$138.00	$138.00	$160.00	$160.00
Demand Charge per kW				
On Peak kW	$14.71	$13.92	$16.73	$15.83
Off Peak kW	$1.32	$1.32	$1.50	$1.50
Distribution kW	$6.07	$6.07	$7.77	$7.77
Energy Charge per kWh				
On Peak kWh	5.6747¢	5.4640¢	6.4528¢	6.2133¢
Off Peak kWh	4.8348¢	4.8348¢	5.4976¢	5.4976¢
Metering per kW				
First 1,000 kW On Peak	($0.75)	($0.75)	($0.85)	($0.85)
Additional kW On Peak	($0.58)	($0.58)	($0.66)	($0.66)

Current Demand:
The Distribution billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the rating period adjusted for power factor as provided herein.

Proposed Demand:
The Distribution billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the rating period adjusted for power factor as provided herein. On-peak, Off-peak, and distribution demand values are subject to applicable minimum requirements as established in a service agreement between the Customer and the Company as described below under Terms and Conditions.

Proposed Addition to Terms and Conditions:
Customers seeking service of 20 MW or greater at one or more aggregated premises, or whose demand is reasonably expected to grow to this level, and require significant production and/or transmission investments by the Company for the provision of service may be required to provide the Company appropriate financial and/or performance and credit assurance. A minimum demand provision equal to 75% of the customer specified load requirement and credit requirements will be specified in a required service agreement between the Customer and the Company. The service agreement is subject to Commission approval.

Optional Rate for Electric Space Heating-Rate EH
(Electric Tariff Sheet No. 42)

	Current Rate	Proposed Rate
Winter Period		
Customer Charge per month		
Single Phase Service	$15.00	$15.00
Three Phase Service	$30.00	$30.00
Primary Voltage Service	$117.00	$120.00
Energy Charge per kWh		
All kWh	9.0636¢	10.4834¢

Seasonal Sports Service-Rate SP
(Electric Tariff Sheet No. 43)

	Current Rate	Proposed Rate
Customer Charge per month	$15.00	$15.00
Energy Charge per kWh	14.4519¢	16.7645¢

Optional Unmetered General Service Rate
For Small Fixed Loads – Rate GS-FL
(Electric Tariff Sheet No. 44)

	Current Rate	Proposed Rate
For loads based on a range of 540 to 720 hours use per month of the rated capacity of the connected equipment (per kWh)	11.5594¢	13.3002¢
For loads of less than 540 hours use per month of the rated capacity of the connected equipment (per kWh)	13.1566¢	15.1636¢
Minimum per month	$3.79	$4.37

Service at Primary Distribution Voltage Applicability-Rate DP
(Electric Tariff Sheet No. 45)

	Current Rate	Proposed Rate
Customer Charge per month		
Primary Voltage Service	$117.00	$120.00
Demand Charge per kW		
All kW	$9.50	$10.13
Energy Charge per kWh		
First 300 kWh/kW	7.1562¢	7.6294¢
Additional kWh	6.2068¢	6.6112¢
Maximum monthly rate per kWh (excluding customer charge and all applicable riders)	28.9184¢	30.8166¢

Time-of-Day Rate for Service at Transmission Voltage-Rate TT
(Electric Tariff Sheet No. 51)

	Current Rate		Proposed Rate	
	Summer	Winter	Summer	Winter
Customer Charge per month	$500.00	$500.00	$500.00	$500.00
Demand Charge per kW				
On Peak kW	$9.41	$7.72	$10.23	$8.39
Off Peak kW	$1.43	$1.43	$1.55	$1.55
Energy Charge per kWh				
On Peak kWh	6.7652¢	6.5057¢	7.3558¢	7.0736¢
Off Peak kWh	5.7296¢	5.7296¢	6.2297¢	6.2297¢

Current Demand:
In no case shall the Off Peak billing demand be less than zero.

Proposed Demand:
In no case shall the Off Peak billing demand be less than zero. On-peak and Off-peak demand values are subject to applicable minimum requirements as established in a service agreement between the Customer and the Company as described below under Terms and Conditions.

Proposed Addition to Terms and Conditions:
Customers seeking service of 20 MW or greater at one or more aggregated premises, or whose demand is reasonably expected to grow to this level, and require significant production and/or transmission investments by the Company for the provision of service may be required to provide the Company appropriate financial and/or performance and credit assurance. A minimum demand provision equal to 75% of the customer specified load requirement and credit requirements will be specified in a required service agreement between the Customer and the Company. The service agreement is subject to Commission approval.

Rider GSS – Generation Support Service
(Electric Tariff Sheet No. 58)

	Current Rate	Proposed Rate
Administrative Charge per month (plus the appropriate Customer Charge)	$50.00	$50.00
Monthly Transmission and Distribution Reservation Charge (per kW)		
Rate DS Secondary Distribution	$6.209222	$10.036170
Rate DT Distribution Service	$7.855088	$13.808205
Rate DP Primary Distribution	$8.173019	$7.042203
Rate TT Transmission Service	$3.267552	$5.243274

Street Lighting Service-Rate SL
(Electric Tariff Sheet No. 60)

Overhead Distribution Area	Lamp Watts	kW/Unit	Annual kWh	Current Rate/Unit	Proposed Rate/Unit
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	$11.49	$13.13
7,000 lumen (Open Refractor)	175	0.205	853	$9.77	$11.16
10,000 lumen	250	0.275	1,144	$13.47	$15.39
21,000 lumen	400	0.430	1,789	$18.27	$20.88
Metal Halide					
14,000 lumen	175	0.193	803	$11.49	$13.13
20,500 lumen	250	0.275	1,144	$13.47	$15.39
36,000 lumen	400	0.430	1,789	$18.27	$20.88
Sodium Vapor					
9,500 lumen	100	0.117	487	$12.34	$14.10
9,500 lumen (Open Refractor)	100	0.117	487	$9.38	$10.72
16,000 lumen	150	0.171	711	$13.64	$15.59
22,000 lumen	200	0.228	948	$17.70	$20.22
27,500 lumen	250	0.275	948	$17.70	$20.22
50,000 lumen	400	0.471	1,959	$24.43	$27.91
Decorative Fixtures					
Sodium Vapor					
9,500 lumen (Rectilinear)	100	0.117	487	$15.24	$17.41
22,000 lumen (Rectilinear)	200	0.246	1,023	$19.22	$21.96

50,000 lumen (Rectilinear)	400	0.471	1,959	$26.01	$29.72
50,000 lumen (Setback)	400	0.471	1,959	$37.80	$43.19
Spans of Secondary Wiring (per month for each increment of 50 feet of secondary wiring beyond the first 150 feet from the pole)				$0.76	$0.87

Underground Distribution Area	Lamp Watts	kW/Unit	Annual kWh	Current Rate/Unit	Proposed Rate/Unit
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.210	874	$11.74	$13.41
7,000 lumen (Open Refractor)	175	0.205	853	$9.77	$11.16
10,000 lumen	250	0.292	1,215	$13.76	$15.72
21,000 lumen	400	0.460	1,914	$18.80	$21.48
Metal Halide					
14,000 lumen	175	0.210	874	$11.74	$13.41
20,500 lumen	250	0.292	1,215	$13.76	$15.72
36,000 lumen	400	0.460	1,914	$18.80	$21.48
Sodium Vapor					
9,500 lumen	100	0.117	487	$12.34	$14.10
9,500 lumen (Open Refractor)	100	0.117	487	$9.51	$10.87
16,000 lumen	150	0.171	711	$13.60	$15.54
22,000 lumen	200	0.228	948	$17.70	$20.22
27,500 lumen	250	0.318	1,323	$18.04	$20.61
50,000 lumen	400	0.471	1,959	$24.43	$27.91
Decorative Fixtures					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	$12.11	$13.84
7,000 lumen (Holphane)	175	0.210	874	$15.01	$17.15
7,000 lumen (Gas Replica)	175	0.210	874	$33.30	$38.05
7,000 lumen (Granville)	175	0.205	853	$12.23	$13.97
7,000 lumen (Aspen)	175	0.210	874	$21.39	$24.44
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	$12.09	$13.81
14,000 lumen (Granville Acorn)	175	0.210	874	$21.39	$24.44
14,000 lumen (Gas Replica)	175	0.210	874	$33.42	$38.19
14,500 lumen (Gas Replica)	175	0.207	861	$33.41	$38.17
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	$16.97	$19.39
9,500 lumen (Holophane)	100	0.128	532	$18.39	$21.01
9,500 lumen (Rectiliinear)	100	0.117	487	$13.96	$15.95
9,500 lumen (Gas Replica)	100	0.128	532	$35.23	$40.25
9,500 lumen (Aspen)	100	0.128	532	$21.34	$24.38
9,500 lumen (Traditionaire)	100	0.117	487	$16.97	$19.39
9,500 lumen (Granville Acorn)	100	0.128	532	$21.34	$24.38
22,000 lumen (Rectilinear)	200	0.246	1,023	$19.32	$22.08
50,000 lumen (Rectilinear)	400	0.471	1,959	$26.10	$29.82
50,000 lumen (Setback)	400	0.471	1,959	$37.80	$43.19

Pole Charges	Pole Type	Current Rate/Pole	Proposed Rate/Pole
Wood			
17 foot (Wood laminated)	W17	$6.25	$7.14
30 foot	W30	$6.17	$7.05
35 foot	W35	$6.25	$7.14
40 foot	W40	$7.48	$8.55
Aluminum			
12 foot (decorative)	A12	$16.98	$19.40

28 foot	A28	$9.84	$11.24
28 foot (heavy duty)	A28H	$9.95	$11.37
30 foot (anchor base)	A30	$19.66	$22.46
Fiberglass			
17 foot	F17	$6.25	$7.14
12 foot (decorative)	F12	$18.26	$20.86
30 foot (bronze)	F30	$11.88	$13.57
35 foot (bronze)	F35	$12.21	$13.95
Steel			
27 foot (11 gauge)	S27	$16.05	$18.34
27 foot (3 gauge)	S27H	$23.69	$27.07
Spans of Secondary Wiring (per month for each increment of 25 feet of secondary wiring beyond the first 25 feet from the pole		$1.10	$1.26

Traffic Lighting Service -Rate TL
(Electric Tariff Sheet No. 61)

	Current Rate	Proposed Rate
Where the Company supplies energy only (per kWh)	6.7222¢	7.6809¢

Unmetered Outdoor Lighting Electric Service-Rate UOLS
(Electric Tariff Sheet No. 62)

	Current Rate	Proposed Rate
Energy Charge per kWh		
All kWh	6.6467¢	7.5946¢

Proposed Addition to Applicability:
This rate schedule is no longer available after June 30, 2025 to new participation of Company-owned equipment under Rate OL-E. Existing Company-owned systems under Rate OL-E currently being provided service under this tariff schedule may continue being provided service under this tariff schedule until the Company-owned system under Rate OL-E is no longer provided under Rate OL-E.

Outdoor Lighting Equipment Installation – Rate OL-E
(Electric Tariff Sheet No. 63)

Proposed Addition to Applicability:
This rate schedule is no longer available after June 30, 2025. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule for the remaining useful life of the facilities, or when this rate schedule terminates, whichever occurs first. This rate schedule will terminate on June 30, 2045.

Current Contract for Service:
The monthly Maintenance Charge does not cover replacement of the fixture upon failure.

Proposed Contract for Service:
See General Conditions below.

Proposed Addition of General Conditions:
When a Company owned street lighting unit and/or pole reaches the end of life or becomes obsolete and parts cannot be reasonably obtained, the Company shall replace lighting unit and/or pole with an available similar LED lighting unit and/or pole and the Customer shall commence being billed on Rate LED for the available similar lighting unit and/or pole rate and will enter into a new lighting agreement within 90 days.

The terms of service of Rate LED shall commence upon lighting unit and/or pole installation. If within 90 days of replacement the Customer does not enter into a new agreement, the service may be terminated.

LED Outdoor Lighting Electric Service- Rate LED
(Electric Tariff Sheet No. 64)

	Current Rate	Proposed Rate
Energy Charge per kWh		
All kWh	6.9217¢	7.9088¢

Rates (Per Unit Per Month)

Fixtures Description	Initial Lumens	Lamp Wattage	Monthly kWh	Current Charge Fixture	Current Charge Maint.	Proposed Charge Fixture	Proposed Charge Maint.
50W Neighborhood	5,000	50	17	$4.15	$2.90	$4.74	$3.31
50W Neighborhood with Lens	5,000	50	17	$4.20	$2.90	$4.80	$3.31
50W Standard LED-BLACK	4,521	50	17	$3.84	$2.90	$4.39	$3.31
70W Standard LED-BLACK	6,261	70	24	$4.22	$2.90	$4.82	$3.31
110W Standard LED-BLACK	9,336	110	38	$4.77	$2.90	$5.45	$3.31
150W Standard LED-BLACK	12,642	150	52	$4.83	$2.90	$5.52	$3.31
220W Standard LED-BLACK	18,642	220	76	$6.31	$3.54	$7.21	$4.04
280W Standard LED-BLACK	24,191	280	97	$6.36	$3.54	$7.27	$4.04
50W Acorn LED-BLACK	5,147	50	17	$11.71	$2.90	$13.38	$3.31
50W Deluxe Acorn LED-BLACK	5,147	50	17	$13.05	$2.90	$14.91	$3.31
70W LED Open Deluxe Acorn	6,500	70	24	$13.44	$2.90	$15.36	$3.31
50W Traditional LED-BLACK	3,303	50	17	$6.31	$2.90	$7.21	$3.31
50W Open Traditional LED-BLACK	3,230	50	17	$6.56	$2.90	$7.50	$3.31
50W Mini Bell LED-BLACK	4,500	50	17	$12.01	$2.90	$13.72	$3.31
50W Enterprise LED-BLACK	3,880	50	17	$11.53	$2.90	$13.17	$3.31
70W Sanibel LED-BLACK	5,508	70	24	$14.66	$2.90	$16.75	$3.31
150W Sanibel	12,500	150	52	$15.28	$2.90	$17.46	$3.31
150W LED Teardrop	12,500	150	52	$18.36	$2.90	$20.98	$3.31
50W LED Teardrop Pedestrian	4,500	50	17	$15.01	$2.90	$17.15	$3.31
220W LED Shoebox	18,500	220	76	$11.39	$3.54	$13.01	$4.04
420W LED Shoebox	39,078	420	146	$16.92	$3.54	$19.33	$4.04
530W LED Shoebox	57,000	530	184	$19.49	$3.54	$22.27	$4.04
150W Clermont LED	12,500	150	52	$20.04	$2.90	$22.90	$3.31
130W Flood LED	14,715	130	45	$7.20	$2.90	$8.23	$3.31
260W Flood LED	32,779	260	90	$11.24	$3.54	$12.84	$4.04
50W Monticello LED	4,157	50	17	$13.49	$2.90	$15.41	$3.31
50W Mitchell Finial	5,678	50	17	$12.85	$2.90	$14.68	$3.31
50W Mitchell Ribs, Bands, and Medallions LED	5,678	50	17	$14.04	$2.90	$16.04	$3.31
50W Mitchell Top Hat LED	5,678	50	17	$12.85	$2.90	$14.68	$3.31
50W Mitchell Top Hat with Ribs, Bands, & Medallions LED	5,678	50	17	$14.04	$2.90	$16.04	$3.31
50W Open Monticello LED	4,157	50	17	$13.44	$2.90	$15.36	$3.31
150W LED Shoebox	19,000	150	52	$10.48	$2.90	$11.97	$3.31
50W Sanibel LED	6,000	50	17	$13.90	$2.90	$15.88	$3.31
40W Acorn No Finial LED	5,000	40	14	$11.20	$2.90	$12.80	$3.31
50W Ocala Acorn LED	6,582	50	17	$6.71	$2.90	$7.67	$3.31
50W Deluxe Traditional LED	5,057	50	17	$12.82	$2.90	$14.65	$3.31
30W Town & Country LED	3,000	30	10	$5.35	$2.90	$6.11	$3.31
30W Open Town & Country LED	3,000	30	10	$5.09	$2.90	$5.82	$3.31
150W Enterprise LED	16,500	150	52	$11.45	$2.90	$13.08	$3.31
220W Enterprise LED	24,000	220	76	$11.78	$3.54	$13.46	$4.04
50W Clermont LED	6,300	50	17	$18.68	$2.90	$21.34	$3.31
30W Gaslight Replica LED	3,107	30	10	$21.30	$2.90	$24.34	$3.31
50W Cobra LED	5,500	50	17	$4.17	$2.90	$4.76	$3.31
70W Cobra LED	8,600	70	24	$4.33	$2.90	$4.95	$3.31
30W Granville Acorn LED	4,100	30	10	N/A	N/A	$11.75	$3.31

30W Style B Bollard LED	2,390	30	10	N/A	N/A	$15.31	$3.31
30W Style C Bollard LED	2,146	30	10	N/A	N/A	$15.31	$3.31
30W Style D Bollard LED	2,390	30	10	N/A	N/A	$15.31	$3.31
30W Style E Bollard LED	1,200	30	10	N/A	N/A	$15.31	$3.31
40W Colonial Bollard LED	1,107	40	14	N/A	N/A	$19.48	$3.31
40W Washington Bollard LED	1,107	40	14	N/A	N/A	$19.48	$3.31
26W Holiday Riser Receptacle LED	NA	26	9	N/A	N/A	$4.21	$3.31
26W Holiday Bracket Top Receptacle LED	NA	26	9	N/A	N/A	$4.96	$3.31
26W Holiday Festoon Receptacle LED	NA	26	9	N/A	N/A	$5.85	$3.31
26W Holiday Post Top Receptacle LED	NA	26	9	N/A	N/A	$5.32	$3.31
26W Holiday Post Top with Adapter Receptacle LED	NA	26	9	N/A	N/A	$5.91	$3.31
26W Dual Post Top Receptacle LED	NA	26	9	N/A	N/A	$6.94	$3.31
26W Dual Post Top with Adapter Receptacle LED	NA	26	9	N/A	N/A	$7.53	$3.31
26W Dual Bracket Top Receptacle LED	NA	26	9	N/A	N/A	$6.94	$3.31
50W Senoia LED	4,525	50	17	N/A	N/A	$15.68	$3.31
50W Halo LED	4,809	50	17	N/A	N/A	$17.64	$3.31
30W Standard LED	3,720	30	10	N/A	N/A	$3.17	$3.31
40W Standard LED	4,506	40	14	N/A	N/A	$3.18	$3.31
30W Gray Open Bottom LED	4,510	30	10	N/A	N/A	$3.06	$3.31

Poles

Description	Current Charge	Proposed Charge
Style A 12 Ft Long Anchor Base Top Tenon Aluminum	$9.34	$10.67
Style A 15 Ft Long Direct Buried Top Tenon Aluminum	$8.69	$9.93
Style A 15 Ft Long Anchor Base Top Tenon Aluminum	$10.83	$12.37
Style A 18 Ft Long Direct Buried Top Tenon Aluminum	$8.90	$10.17
Style A 17 Ft Long Anchor Base Top Tenon Aluminum	$11.55	$13.20
Style A 25 Ft Long Direct Buried Top Tenon Aluminum	$11.75	$13.43
Style A 22 Ft Long Anchor Base Top Tenon Aluminum	$14.57	$16.65
Style A 30 Ft Long Direct Buried Top Tenon Aluminum	$13.35	$15.25
Style A 27 Ft Long Anchor Base Top Tenon Aluminum	$19.48	$22.26
Style A 35 Ft Long Direct Buried Top Tenon Aluminum	$15.49	$17.70
Style A 32 Ft Long Anchor Base Top Tenon Aluminum	$19.99	$22.84
Style A 41 Ft Long Direct Buried Top Tenon Aluminum	$18.98	$21.69
Style B 12 Ft Long Anchor Base Post Top Aluminum	$10.61	$12.12
Style C 12 Ft Long Anchor Base Post Top Aluminum	$12.91	$14.75
Style C 12 Ft Long Anchor Base Davit Steel	$15.64	$17.87
Style C 14 Ft Long Anchor Base Top Tenon Steel	$14.75	$16.85
Style C 21 Ft Long Anchor Base Davit Steel	$32.96	$37.66
Style C 23 Ft Long Anchor Base Boston Harbor Steel	$38.27	$43.73
Style D 12 Ft Long Anchor Base Breakaway Aluminum	$12.32	$14.08
Style E 12 Ft Long Anchor Base Post Top Aluminum	$12.91	$14.75
Style F 12 Ft Long Anchor Base Post Top Aluminum	$15.74	$17.98
Legacy Style 39 Ft Direct Buried Single or Twin Side Mount Alum Satin Finish	$20.92	$23.90
Legacy Style 27 Ft Long Anchor Base Side Mnt Alum Satin Finish Breakaway	$20.45	$23.37
Legacy Style 33 Ft Long Anchor Base Side Mnt Alum Satin Finish Breakaway	$21.38	$24.43
Legacy Style 37 Ft Long Anchor Base Side Mount Aluminum Pole Satin Finish	$23.61	$26.98
30' Class 7 Wood Pole	$6.48	$7.40
35' Class 5 Wood Pole	$7.24	$8.27
40' Class 4 Wood Pole	$8.21	$9.38
45' Class 4 Wood Pole	$8.55	$9.77
15' Style A - Fluted - for Shroud - Aluminum Direct Buried Pole	$10.05	$11.48
20' Style A - Fluted - for Shroud - Aluminum Direct Buried Pole	$10.54	$12.04
15' Style A - Smooth - for Shroud - Aluminum Direct Buried Pole	$8.69	$9.93
20' Style A - Smooth - for Shroud - Aluminum Direct Buried Pole	$10.26	$11.72
21' Style A - Fluted - Direct Buried	$14.37	$16.42
30' Style A - Transformer Base - Anchor Base	$21.78	$24.89

35' Style A - Transformer Base - Anchor Base	$24.53	$28.03
19' Style A - Breakaway - Direct Buried	$19.55	$22.34
24' Style A - Breakaway - Direct Buried	$20.69	$23.64
27' Style A - Breakaway - Direct Buried	$19.79	$22.61
32' Style A - Breakaway - Direct Buried	$20.26	$23.15
37' Style A - Breakaway - Direct Buried	$21.56	$24.63
42' Style A - Breakaway - Direct Buried	$22.29	$25.47
17' Style B - Anchor Base	$15.04	$17.18
17' Style C - Post Top - Anchor Base	$16.22	$18.53
17' Style C - Davit - Anchor Base	$25.65	$29.31
17' Style C - Boston Harbor - Anchor Base	$25.02	$28.59
25' Style D - Boston Harbor - Anchor Base	$29.17	$33.33
50' Wood - Direct Buried	$10.64	$12.16
55' Wood - Direct Buried	$11.21	$12.81
18' Style C - Breakaway - Direct Buried	$22.18	$25.34
17' Wood Laminated	$6.25	$7.14
12' Aluminum (decorative)	$16.98	$19.40
28' Aluminum	$9.84	$11.24
28' Aluminum (heavy duty)	$9.95	$11.37
30' Aluminum (anchor base)	$19.66	$22.46
17' Fiberglass	$6.25	$7.14
12' Fiberglass (decorative)	$18.26	$20.86
30' Fiberglass (bronze)	$11.88	$13.57
35' Fiberglass (bronze)	$12.21	$13.95
27' Steel (11 gauge)	$16.05	$18.34
27' Steel (3 gauge)	$23.69	$27.07
Shroud - Standard Style for anchor base poles	$2.71	$3.10
Shroud - Style B Pole for smooth and fluted poles	$6.44	$7.36
Shroud - Style C Pole for smooth and fluted poles	$8.05	$9.20
Shroud - Style D Pole for smooth and fluted poles	$9.93	$11.35
Shroud - Style B – Assembly	$8.42	$9.62
Shroud - Style C – Assembly	$9.89	$11.30
Shroud - Style D – Assembly	$12.06	$13.78
Shroud - Style Standard - Assembly 6"/15"	$4.71	$5.38
Shroud - Style Standard - Assembly 6"/18"	$5.12	$5.85

Pole Foundation

Description	Current Charge	Proposed Charge
Flush - Pre-fabricated - Style A Pole	$13.30	$15.20
Flush - Pre-fabricated - Style B Pole	$12.28	$14.03
Flush - Pre-fabricated - Style C Pole	$13.17	$15.05
Flush - Pre-fabricated - Style D Pole	$12.28	$14.03
Flush - Pre-fabricated - Style E Pole	$12.28	$14.03
Flush - Pre-fabricated - Style F Pole	$12.28	$14.03
Reveal - Pre-fabricated - Style A Pole	$18.73	$21.40
Reveal - Pre-fabricated - Style B Pole	$14.90	$17.02
Reveal - Pre-fabricated - Style C Pole	$15.46	$17.66
Reveal - Pre-fabricated - Style D Pole	$15.46	$17.66
Reveal - Pre-fabricated - Style E Pole	$15.46	$17.66
Reveal - Pre-fabricated - Style F Pole	$15.46	$17.66
Screw-in Foundation	$7.96	$9.10

Brackets

Description	Current Charge	Proposed Charge
14 inch bracket - wood pole - side mount	$1.93	$2.21
4 foot bracket - wood pole - side mount	$2.16	$2.47
6 foot bracket - wood pole - side mount	$2.13	$2.43

8 foot bracket - wood pole - side mount	$2.89	$3.30
10 foot bracket - wood pole - side mount	$4.77	$5.45
12 foot bracket - wood pole - side mount	$4.34	$4.96
15 foot bracket - wood pole - side mount	$5.07	$5.79
4 foot bracket - metal pole - side mount	$5.14	$5.87
6 foot bracket - metal pole - side mount	$5.21	$5.95
8 foot bracket - metal pole - side mount	$6.47	$7.39
10 foot bracket - metal pole - side mount	$6.82	$7.79
12 foot bracket - metal pole - side mount	$6.23	$7.12
15 foot bracket - metal pole - side mount	$7.44	$8.50
18 inch bracket - metal pole - double Flood Mount - top mount	$2.07	$2.37
14 inch bracket - metal pole - single mount - top tenon	$2.19	$2.50
14 inch bracket - metal pole - double mount - top tenon	$2.37	$2.71
14 inch bracket - metal pole - triple mount - top tenon	$2.52	$2.88
14 inch bracket - metal pole - quad mount - top tenon	$2.63	$3.01
6 foot - metal pole - single - top tenon	$4.87	$5.56
6 foot - metal pole - double - top tenon	$6.17	$7.05
4 foot - Boston Harbor - top tenon	$7.06	$8.07
6 foot - Boston Harbor - top tenon	$7.43	$8.49
12 foot - Boston Harbor Style C pole double mount - top tenon	$12.71	$14.52
4 foot - Davit arm - top tenon	$6.44	$7.36
18 inch - Cobrahead fixture for wood pole	$1.82	$2.08
18 inch - Flood light for wood pole	$2.01	$2.30
18" Metal - Flood - Bullhorn - Top Tenon	$2.48	$2.83
4' Transmission - Top Tenon	$9.12	$10.42
10' Transmission - Top Tenon	$10.51	$12.01
15' Transmission - Top Tenon	$11.56	$13.21
18" Transmission - Flood - Top Tenon	$4.86	$5.55
3' Shepherds Crook - Single - Top Tenon	$4.61	$5.27
3' Shepherds Crook w/ Scroll - Single - Top Tenon	$5.11	$5.84
3' Shepherds Crook - Donble - Top Tenon	$6.52	$7.45
3' Shepherds Crook w/ Scroll - Double - Top Tenon	$7.33	$8.38
3' Shepherds Crook w/ Scroll & Festoon - Single - Top Tenon	$5.35	$6.11
3' Shepherds Crook w/ Scroll - Wood - Top Tenon	$6.38	$7.29
17" Masterpiece - Top Tenon - Double Post Mount - Top Tenon	$5.09	$5.82

Wiring Equipment

Description	Current Charge	Proposed Charge
Secondary Pedestal (cost per unit)	$2.47	$2.82
Handhole (cost per unit)	$3.54	$4.04
Pullbox	$8.98	$10.26
6AL DUPLEX and Trench (cost per foot)	$1.12	$1.28
6AL DUPLEX and Trench with conduit (cost per foot)	$1.30	$1.49
6AL DUPLEX with existing conduit (cost per foot)	$0.82	$0.94
6AL DUPLEX and Bore with conduit (cost per foot)	$2.79	$3.19
6AL DUPLEX OH wire (cost per foot)	$2.62	$2.99

Sheilds

Description	Current Charge	Proposed Charge
Standard	N/A	$1.83
Decorative	N/A	$1.71
Additional Facilities Charge	0.8292%	0.8642%

Current Wiring Equipment Description:

6AL DUPLEX and Trench (cost per foot)
6AL DUPLEX and Trench with conduit (cost per foot)

6AL DUPLEX with existing conduit (cost per foot)
6AL DUPLEX and Bore with conduit (cost per foot)
6AL DUPLEX OH wire (cost per foot)

Proposed Wiring Equipment Description:
6AL DUPLEX and Trench (cost per 10 feet)
6AL DUPLEX and Trench with conduit (cost per 10 feet)
6AL DUPLEX with existing conduit (cost per 10 feet)
6AL DUPLEX and Bore with conduit (cost per 10 feet)
6AL DUPLEX OH wire (cost per 10 feet)

Current Terms of Service:
13. For available LEDs, the customer may opt to make an initial, one-time payment of 50% of the installed cost of fixtures rated greater than 200 Watts and poles other than standard wood poles, to reduce the Company's installed cost, therefore reducing their monthly rental rates for such fixtures and poles. If a customer chooses this option, the monthly fixture and/or pole charge shall be computed as the reduced installed cost times the corresponding monthly percentage in 2.I.(a) and/or 2.II above.

Proposed Terms of Service:
13. The customer may opt to make an initial, upfront one-time payment of 50% of the installed cost of the equipment in the lighting system to reduce the Company's installed cost, therefore reducing the Customer's ongoing monthly equipment charge by 50% of the current tariff price over the fixed term for the life of the equipment.

14. Outage credits do not apply to Rate LED.
15. When a Company owned street lighting unit reaches the end of life or becomes obsolete and parts cannot be reasonably obtained, the Company shall replace lighting unit with an available similar lighting unit on Rate LED and the Customer shall commence being billed for the available similar lighting unit and will enter into a new lighting agreement within 90 days. The terms of service of Rate LED shall commence upon lighting unit installation. If within 90 days of replacement the Customer does not enter into a new agreement, the service may be terminated.

Street Lighting Service for Non-Standard Units -Rate NSU
(Electric Tariff Sheet No. 66)

Company Owned	**Lamp Watts**	**kW/ Unit**	**Annual kW/unit**	**Current Rate/Unit**	**Proposed Rate/Unit**
Boulevard units served underground					
a. 2,500 lumen Incandescent – Series	148	0.148	616	$14.51	$16.58
b. 2,500 lumen Incandescent – Multiple	189	0.189	786	$11.56	$13.21
Holphane Decorative Fixture on 17 foot fiberglass pole served underground with direct buried cable					
a. 10,000 lumen Mercury Vapor	250	0.292	1,215	$26.51	$30.29
Each increment of 25 feet of secondary wiring beyond the first 25 feet from the pole base (added to Rate/unit charge)				$1.10	$1.26
Street light units served overhead distribution					
a. 2,500 lumen Incandescent	189	0.189	786	$11.46	$13.09
b. 2,500 lumen Mercury Vapor	100	0.109	453	$10.58	$12.09
c. 21,000 lumen Mercury Vapor	400	0.460	1,914	$17.87	$20.42
Customer Owned					
Steel boulevard units served underground with limited maintenance by Company					
a. 2,500 lumen Incandescent – Series	148	0.148	616	$8.79	$10.04
b. 2,500 lumen Incandescent – Multiple	189	0.189	786	$11.18	$12.77

Street Lighting Service-Customer Owned - Rate SC
(Electric Tariff Sheet No. 68)

Base Rate Fixture Description	Lamp Watts	kW/Unit	Annual kWh	Current Rate/Unit	Proposed Rate/Unit
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	$6.80	$7.77
10,000 lumen	250	0.275	1,144	$8.80	$10.05
21,000 lumen	400	0.430	1,789	$12.41	$14.18
Metal Halide					
14,000 lumen	175	0.193	803	$6.80	$7.77
20,500 lumen	250	0.275	1,144	$8.80	$10.05
36,000 lumen	400	0.430	1,789	$12.41	$14.18
Sodium Vapor					
9,500 lumen	100	0.117	487	$7.67	$8.76
16,000 lumen	150	0.171	711	$8.73	$9.97
22,000 lumen	200	0.228	948	$9.77	$11.16
27,500 lumen	250	0.228	948	$9.77	$11.16
50,000 lumen	400	0.471	1,959	$13.96	$15.95
Decorative Fixture					
Mercury Vapor					
7,000 lumen (Holophane)	175	0.210	874	$8.49	$9.70
7,000 lumen (Town & Country)	175	0.205	853	$8.40	$9.60
7,000 lumen (Gas Replica)	175	0.210	874	$8.49	$9.70
7,000 lumen (Aspen)	175	0.210	874	$8.49	$9.70
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	$8.40	$9.60
14,000 lumen (Granville Acorn)	175	0.210	874	$8.56	$9.78
14,000 lumen (Gas Replica)	175	0.210	874	$8.56	$9.78
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	$7.56	$8.64
9,500 lumen (Traditionaire)	100	0.117	487	$7.56	$8.64
9,500 lumen (Granville Acorn)	100	0.128	532	$7.91	$9.04
9,500 lumen (Rectilinear)	100	0.117	487	$7.56	$8.64
9,500 lumen (Aspen)	100	0.128	532	$7.91	$9.04
9,500 lumen (Holophane)	100	0.128	532	$7.91	$9.04
9,500 lumen (Gas Replica)	100	0.128	532	$7.91	$9.04
22,000 lumen (Rectilinear)	200	0.246	1,023	$10.36	$11.84
50,000 lumen (Rectilinear)	400	0.471	1,959	$14.38	$16.43

Pole Description	Pole Type	Current Rate/Pole	Proposed Rate/Pole
Wood			
30 foot	W30	$ 6.17	$7.05
35 foot	W35	$ 6.25	$7.14
40 foot	W40	$ 7.48	$8.55

Customer Owned and Maintained Units	Current per kWh	Proposed per kWh
The monthly kilowatt-hour usage will be mutually agreed upon between the Company and the customer. Where the average monthly usage is less than 150 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before work is carried out.	6.6038¢	7.5456¢

Street-lighting Service-Overhead Equivalent-Rate SE
(Electric Tariff Sheet No. 69)

Fixture Description	Lamp Watt	kW/Unit	Annual kWh	Current Rate/Unit	Proposed Rate/Unit
Decorative Fixtures					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	$11.78	$13.46
7,000 lumen (Holophane)	175	0.210	874	$11.83	$13.52
7,000 lumen (Gas Replica)	175	0.210	874	$11.83	$13.52
7,000 lumen (Aspen)	175	0.210	874	$11.83	$13.52
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	$11.78	$13.46
14,000 lumen (Granville Acorn)	175	0.210	874	$11.83	$13.52
14,000 lumen (Gas Replica)	175	0.210	874	$11.83	$13.52
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	$12.41	$14.18
9,500 lumen (Holophane)	100	0.128	532	$12.63	$14.43
9,500 lumen (Rectilinear)	100	0.117	487	$12.41	$14.18
9,500 lumen (Gas Replica)	100	0.128	532	$12.62	$14.42
9,500 lumen (Aspen)	100	0.128	532	$12.62	$14.42
9,500 lumen (Traditionaire)	100	0.117	487	$12.41	$14.18
9,500 lumen (Granville Acorn)	100	0.128	532	$12.62	$14.42
22,000 lumen (Rectilinear)	200	0.246	1,023	$18.14	$20.73
50,000 lumen (Rectilinear)	400	0.471	1,959	$24.58	$28.09
50,000 lumen (Setback)	400	0.471	1,959	$24.58	$28.09

Demand Side Management Cost Recovery Rider
(Electric Tariff Sheet No. 75)

Current Applicability:
Applicable to service rendered under the provisions of Rates RS and RS-TOU-CPP (residential class), DS, DP, DT, EH, GS-FL, SP, and TT (non-residential class).

Proposed Applicability:
Applicable to service rendered under the provisions of Rate RS (residential class), DS, DP, DT, EH, GS-FL, SP, and TT (non-residential class).

Fuel Adjustment Clause Rider
(Electric Tariff Sheet No. 80)

Current Availability of Service Item (e):

(e) The native portion of fuel-related costs charged to the Company by PJM Interconnection LLC includes those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.

The Company proposes to revise the list of PJM Interconnection LLC Billing Line Items as follows.
Proposed Availability of Service Item (e):

(e) The native portion of fuel-related costs charged to the Company by PJM Interconnection LLC includes those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 1215, 1216, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 2366, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415, 2930, 1980, 2980 and 1999.

Profit Sharing Mechanism Rider
(Electric Tariff Sheet No. 82)

Current Profit Sharing Rider Factors:

On a quarterly basis, the applicable energy charges for electric service shall be increased or decreased to the nearest $0.000001 per kWh to reflect the sharing of net proceeds as outlined in the formula below.

Rider PSM Factor = (((OSS + NF + CAP+REC) x 0.90) + R) / S

where:

OSS= Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.

NF = Net proceeds from non-fuel related Regional Transmission Organization charges and credits not recovered via other mechanisms.

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1240, 2240, 1241, 2241, 1242, 1243, 1245, 2245, 1330, 2330, 1362, 2362, 1472, 1365, 2365, 1475, 1371, 2371, 1376, 2376, 1380 and 2380.

CAP= Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2014-00201, dated December 4, 2014; capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.

REC= Net proceeds from the sales of renewable energy credits.

R = Reconciliation of prior period Rider PSM actual revenue to amount calculated for the period.

S = Current period sales in kWh as used in the Rider FAC calculation.

The Company proposes to revise the list of PJM Interconnection LLC Billing Line Items and the formula to calculate the Rider PSM Factor.

Proposed Profit Sharing Rider Factors:

On a quarterly basis, the applicable energy charges for electric service shall be increased or decreased to the nearest $0.000001 per kWh to reflect the sharing of net proceeds as outlined in the formula below.

Rider PSM Factor = (((OSS + NF + CAP + CPI + GS + REC) x 0.90) + R) / S

where:

OSS= Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 1215, 1216, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 2366, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415, 2930,1980, 2980 and 1999.

NF= Net proceeds from non-fuel related Regional Transmission Organization charges and credits not recovered via other mechanisms.

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 2240, 2241, 1242, 1243, 1245, 2245, 1246, 2246, 1330, 2330, 1361, 2361, 2367, 1471, 1362, 2362, 2368, 1472, 1475, 1371, 2371, 1376, 2376, 1380, 2380, 1390, 2390, 1980, 2980, and 1999.

CAP= Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2017-00321, dated April 13, 2018, capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.

Includes FRR capacity costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1600, 2600, 1666, 2666, 1667, 2667, 1669, 2669, 1670, 2670, 1681, 2681, 1980, 2980, 1985, and 1999.

CPI= Net proceeds of capacity performance insurance.

GS= Net proceeds from the sale of surplus gas on the pipelines.

REC= Net proceeds from the sales of renewable energy credits.

R= Reconciliation of prior period Rider PSM actual revenue to amount calculated for the period.

S= Current period sales in kWh as used in the Rider FAC calculation.

Charge for Reconnection of Service
(Electric Tariff Sheet No. 91)

	Current Rate	Proposed Rate
Reconnections that can be accomplished remotely	\$5.60	\$6.50
Reconnections that cannot be accomplished remotely	\$8.25	\$5.80
Reconnections where service was disconnected at pole	\$18.00	\$16.50
After hours reconnection charge	\$40.00	N/A

Distribution Pole Attachments - Rate DPA
(Electric Tariff Sheet No. 92)

	Current Rate	Proposed Rate
Two-user pole annual rental per foot	\$8.59	\$7.50
Three-user pole annual rental per foot	\$7.26	\$7.50
Conduit fee per linear foot	\$0.27	\$0.67

Real Time Pricing Program- Rate RTP
(Electric Tariff Sheet No. 99)

	Cnrrent Rate	Proposed Rate
Energy Delivery Charge (Credit) per kWh from Customer Base Load		
Secondary Service	2.0034¢	3.3518¢
Primary Service	1.6479¢	2.8504¢
Transmission Service	0.6915¢	1.0568¢
Program Charge per billing period	$183.00	$183.00

The foregoing rates reflect a proposed increase in electric revenues of approximately $70,008,476 or 14.69% over current total electric revenues to Duke Energy Kentucky. The estimated amount of increase per customer class is as follows:

	Total Increase ($)	Total Increase (%)
Rate RS – Residential Service:	$33,271,203	16.2%
Rate DS – Service at Distribution Voltage	$19,167,181	14.1%
Rate DT – Time-of-Day Rate for Service at Distribution Voltage	$15,314,005	14.1%
Rate EH – Optional Rate for Electric Space Heating	$272,039	13.9%
Rate SP – Seasonal Sports Service	$7,566	14.2%
Rate GS-FL – General Service Rate for Small Fixed Loads	$119,011	14.2%
Rate DP – Service at Primary Distribution Voltage	$53,265	5.9%
Rate TT – Time-of-Day Rate for Service at Transmission Voltage	$1,240,683	8.0%
Rate SL – Street Lighting Service	$198,711	13.8%
Rate TL – Traffic Lighting Service	$13,791	13.1%
Rate UOLS – Unmetered Outdoor Lighting Electric Service	$81,072	13.1%
Rate NSU – Street Lighting Service for Non-Standard Units	$13,460	13.8%
Rate SC – Street Lighting Service – Customer Owned	$861	13.1%
Rate SE – Street Lighting Service – Overhead Equivalent	$35,981	13.8%
Rate LED – Street Lighting Service – LED Outdoor Lighting	$2,807	14.0%
Rate RTP – Experimental Real Time Pricing Program	$60,394	9.8%
Interdepartmental	$4,994	14.9%
Special Contracts	$135,535	13.7%
Reconnection Charges	$8,323	15.1%
Rate DPA – Pole and Line Attachments	$7,594	1.1%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

	Average kWh/Bill	Monthly Increase ($)	Percent Increase (%)
Rate RS Residential Service:	904	$21.47	16.1%
Rate DS - Service at Distribution Voltage	7,079	$168.98	14.2%
Rate DT – Time-of-Day Rate for Service at Distribution Voltage	611,498	$6,030.34	13.9%
Rate EH – Optional Rate for Electric Space Heating	19,031	$133.46	13.7%
Rate SP - Seasonal Sports Service	1,971	$35.66	15.0%
Rate GS-FL – General Service Rate for Small Fixed Loads	537	$10.92	15.3%
Rate DP - Service at Primary Distribution Voltage	64,391	$1,597.25	6.0%
Rate TT - Time-of-Day Rate for Service at Transmission Voltage	1,188,866	$8,442.80	8.1%
Rate SL - Street Lighting Service *	66	$1.92	13.7%
Rate TL - Traffic Lighting Service	921	$8.84	13.1%
Rate UOLS – Unmetered Outdoor Lighting Electric Service	279	$2.64	13.0%
Rate NSU – Street Lighting Service for Non-Standard Units*	49	$1.67	13.9%
Rate SC - Street Lighting Service – Customer Owned *	44	$0.41	12.8%
Rate SE - Street Lighting Service – Overhead Equivalent *	59	$1.75	13.8%
Rate LED – Street Lighting Service - Led Outdoor Lighting *	18	$1.23	14.0%
Rate RTP – Experimental Real Time Pricing Program	275,766	$1,233.48	15.9%
Interdepartmental	N/A	$416.17	14.9%
Reconnection Charge (per remote reconnection)	N/A	$0.90	16.1%
Reconnection Charge (at meter per reconnection)	N/A	($2.45)	-29.7%
Reconnection Charge (at pole per reconnection)	N/A	($1.50)	-8.3%
Rate DPA - Pole and Line Attachments (2-user attachment per foot)	N/A	($1.09)	-12.7%
Rate DPA – Pole and Line Attachments (3-user attachment per foot)	N/A	$0.24	3.3%
Rate DPA – Conduit Fee	N/A	$0.40	148.1%

*For these lighting schedules, values represent average monthly kWh usage per fixture.

The rates contained in this notice are the rates proposed by Duke Energy Kentucky; however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic or person with a substantial interest in the matter may, by written request within thirty (30) days after publication of this notice of the proposed rate changes, request leave to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Such motion shall be submitted to the Kentucky Public Service Commission, P. O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615, and shall set forth the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication the Commission may take final action on the application.

Intervenors may obtain copies of the application and other filings made by the Company by requesting same through email at DEKInquiries@duke-energy.com or by telephone at (513) 287-4366. A copy of the application and other filings made by the Company is available for public inspection through the Commission's website at http://psc.ky.gov, at the Commission's office at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 am. To 4:30 p.m., and at the following Company offices: 1262 Cox Road, Erlanger, Kentucky 41018. Comments regarding the application may be submitted to the Public Service Commission through its website, or by mail at the following Commission address.

For further information contact:

PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY
P. O. BOX 615
211 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40602-0615
(502) 564-3940

DUKE ENERGY KENTUCKY
1262 COX ROAD
ERLANGER, KENTUCKY 41018
(513) 287-4366

List of Newspapers in Duke Energy Kentucky Territory

Falmouth Outlook
Kentucky Enquirer
Gallatin County News
Grant County News
Link NKY

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(2)

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807 KAR 5:001, SECTION 16(2)

Description of Filing Requirement:

Notice of intent. A utility with gross annual revenues greater than $5,000,000 shall notify the commission in writing of its intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application.

(a) The notice of intent shall state if the rate application will be supported by a historical test period or a fully forecasted test period.

(b) Upon filing the notice of intent, an application may be made to the commission for permission to use an abbreviated form of newspaper notice of proposed rate increases provided the notice includes a coupon that may be used to obtain a copy from the applicant of the full schedule of increases or rate changes.

(c) Upon filing the notice of intent with the commission, the applicant shall mail to the Attorney General's Office of Rate Intervention a copy of the notice of intent or send by electronic mail in a portable document format, to rateintervention@ag.ky.gov.

Response:

See Duke Energy Kentucky's response to Filing Requirement KRS 278.180 [Tab 1].

Sponsoring Witness:

Amy B. Spiller

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(3)

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807 KAR 5:001, SECTION 16(3)

Description of Filing Requirement:

Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.

Response:

Notice given pursuant to 807 KAR 5:001, Section 17 satisfies the requirements of 807 KAR 5:051, Section 2. A copy of the customer notice is attached in response to Filing Requirement, 807 KAR 5:001, Section 16(1)(b)(5) [Tab 12].

Sponsoring Witness:

Amy B. Spiller

807 KAR 5:001, SECTION 16(6)(a)

Description of Filing Requirement:

The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.

Response:

See Schedules D-2.1 through D-2.15 located in Schedule Book.

Witness Responsible:

Grady "Tripp" S. Carpenter

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(6)(b)

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807 KAR 5:001, SECTION 16(6)(b)

Description of Filing Requirement:

Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.

Response:

See Schedules D-2.16 through D-2.30 for adjustments to the forecasted period located in Schedule Book. These adjustments are limited to the twelve (12) months immediately following the suspension period.

Witness Responsible:

Grady "Tripp" S. Carpenter – Schedule D-2.16
Lisa D. Steinkuhl – Schedules D-2.17 thru D-2.23, D-2.25, D-2.27 thru D-2.30
Sharif S. Mitchell – Schedule D-2.24
Jacob S. Colley – Schedule D-2.26

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(6)(c)

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807 KAR 5:001, SECTION 16(6)(c)

Description of Filing Requirement:

Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.

Response:

Capitalization and Net Investment Rate Base for the Forecasted Period are based on a thirteen-month average.

Witness Responsible:

Lisa D. Steinkuhl

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807 KAR 5:001, SECTION 16(6)(d)

Description of Filing Requirement:

After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.

Response:

The Company will comply with this requirement.

Witness Responsible:

Grady "Tripp" S. Carpenter

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(6)(e)

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807 KAR 5:001, SECTION 16(6)(e)

Description of Filing Requirement:

The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.

Response:

The Company will prepare an alternative forecast if requested by the Commission.

Witness Responsible:

Grady "Tripp" S. Carpenter

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(6)(f)

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807 KAR 5:001, SECTION 16(6)(f)

Description of Filing Requirement:

The utility shall provide a reconciliation of the rate base and capital use to determine its revenue requirements.

Response:

See attached.

Witness Responsible:

Lisa D. Steinkuhl

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2024-00354
RECONCILIATION OF CAPITALIZATION AND RATE BASE
THIRTEEN MONTH AVERAGE BALANCE ENDING JUNE 30, 2026

FR 16(6)(f) Forecast Period
PAGE 1 OF 3
WITNESS RESPONSIBLE:
L. D. STEINKUHL

Line No.	Description	Source	Amount
1	Capitalization Allocated to Electric Operations	Page 2 of 3	1,453,712,477
2	Adjustments to Plant in Service	Sch. B-2.2 & B-3.1	(114,909,302)
3	Assets per Books not included in Rate Base:		
4	Other Property and Investments	Schedule B-8	(12,751,684)
5	CWIP	Sch. B-4	(135,182,296)
6	Cash	Schedule B-8	(9,509,031)
7	Other Current Assets	Schedule B-8	(71,189,682)
8	Other Regulatory Assets	Schedule B-8	(57,346,623)
9	Other Deferred Debits	Schedule B-8	37,107,187
10	Subtotal		(248,872,129)
11	Liabilities per Books not included in Rate Base:		
12	Other Current liabilities	Schedule B-8	92,127,737
13	Other Non-current liabilities	Schedule B-8	24,058,156
14	ARO Liabilities	Schedule B-8	56,149,620
15	Deferred Credits	Schedule B-8	14,125,051
16	Subtotal		186,460,563
17	Items included in Rate Base:		
18	Cash Working Capital Formula	Sch.B-5	4,507,797
19	Depreciation adjustment not included in capitalization	Sch. D-2.24	6,398,497
20	Capitalization / Rate Base Differences		(13,506,364)
21	Subtotal		(2,600,070)
22	Total Variance		(179,920,938)
23	Electric Rate Base	Schedule B-1	1,273,791,539

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2024-00354
RECONCILIATION OF CAPITALIZATION AND RATE BASE
THIRTEEN MONTH AVERAGE BALANCE ENDING JUNE 30, 2026

FR 16(6)(f) Forecast Period
PAGE 2 OF 3
WITNESS RESPONSIBLE:
L. D. STEINKUHL

Line No.	Description		Capitalization Total	Electric
1	Total Forecasted Period Capitalization	(1)	2,191,207,945	
2				
3	Less: Gas Non-jurisdictional Rate Base	(2)	165,651	
4	Electric Non-jurisdictional Rate Base	(2)	(4,593,952)	
5	Non-jurisdictional Rate Base	(2)	(31,881,050)	
6				
7	Jurisdictional Capitalization		2,227,517,296	
8				
9	Electric Jurisdictional Rate Base Allocation %	(2)	65.031%	1,448,576,773
10				
11	Plus: Jurisdictional Electric ITC	(3)		5,135,704
12				
13	Total Allocated Capitalization			1,453,712,477

Notes:
(1) Schedule J-1, page 2 of 2.
(2) Page 3 of 3.
(3) Schedule B-6, page 1.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2024-00354
RECONCILIATION OF CAPITALIZATION AND RATE BASE
THIRTEEN MONTH AVERAGE BALANCE ENDING JUNE 30, 2026

FR 16(6)(f) Forecast Period
PAGE 3 OF 3
WITNESS RESPONSIBLE:
L. D. STEINKUHL

Line No.	Description	Schedule Reference	Total Company	Gas Jurisdictional	Gas Non-Juris.	Electric Jurisdictional	Electric Non-Juris.	Non-Jurisdictional
1	Total Utility Plant in Service (Accts 101 & 106) (B)	Sch B-2, (C)	3,542,498,430	1,112,325,492	0	2,430,172,938	0	0
2								
3	Additions:							
4	Construction Work in Progress (Account 107)	Sch B-4, (C)	161,833,406	26,651,110		135,182,296	0	0
5								
6	Fuel Inventory	Sch B-5	15,445,163	0	0	15,445,163	0	0
7								
8	Materials & Supplies -							
9	Propane Inventory (Account 151) (B)	WPB-5.1b	0	0	0	0	0	0
10	Other Material and Supplies (Accts. 154 & 163) (B)	WPB-5.1c	20,851,933	755,257	0	20,096,676	0	0
11	Total Materials & Supplies		20,851,933	755,257	0	20,096,676	0	0
12								
13	Gas Stored Underground (Account 164) (B)	WPB-5.1f	2,565,012	2,565,012	0	0	0	0
14								
15	Prepayments (Account 165) (B)	WPB-5.1e	2,895,819	69,100	165,651	2,119,316	541,752	0
16								
17	Emission Allowances (Account 158)	WPB-5.1i	0	0	0	0	0	0
18								
19	Cash Working Capital Allowance	WPB-5.1a	4,507,797	0	0	4,507,797	0	0
20								
21	Other Rate Base Items	WPB-1.1a	13,100,679	0	0	13,100,679	0	0
22	Total Additions		221,199,809	30,040,479	165,651	190,451,927	541,752	0
23								
24	Deductions:							
25	Reserve for Accumulated Depreciation (Acct 108) (B)	Sch B-3.2, (C)	1,197,104,628	249,566,575	0	947,538,053 (A)	0	0
26								
27	Accum. Deferred Income Taxes (Accts 190, 282, & 283) (B)	Sch B-6, WPB-6a	349,762,380	104,682,743	0	213,198,587	0	31,881,050
28								
29	Customer Advances for Construction (Account 252)	WPB-6a	(2,528,681)	(2,528,681)	0	0	0	0
30								
31	Total Regulatory Liability - Excess Deferred Taxes	Sch B-6	74,062,025	29,546,132	0	44,515,893	0	0
32								
33	Investment Tax Credits	Sch B-6	5,135,704	0	0	0	5,135,704	0
34	Total Deductions		1,623,536,056	381,266,769	0	1,206,252,533	5,135,704	31,881,050
35								
36	Net Original Cost Rate Base		2,140,162,183	761,099,202	165,651	1,415,372,332	(4,593,952)	(31,881,050)
37								
38	Jurisdictional Rate Base Ratio		100.000%	35.563%	0.008%	66.134%	-0.215%	-1.490%
39								
40	Jurisdictional Rate Base Ratio - Excluding Non-Jurisdictional		100.000%	34.969%		65.031%		

Notes:
(A) Does not include depreciation annualization adjustment per Commission precedent.
(B) Adjusted for non-jurisdictional gas plant.
(C) Company records.

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(a)

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807 KAR 5:001, SECTION 16(7)(a)

Description of Filing Requirement:

The written testimony of each witness the utility proposes to use to support its application, which shall include testimony from the utility's chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.

Response:

All testimony is provided under separate cover. Also, please see the Direct Testimony of Amy B. Spiller, Duke Energy Kentucky's chief officer in charge of operations, for an overview discussion of efficiency and productivity improvements.

Sponsoring Witness:

All witnesses

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(b)

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807 KAR 5:001, SECTION 16(7)(b)

Description of Filing Requirement:

The utility's most recent capital construction budget containing at minimum a three (3) year forecast of construction expenditures.

Response:

See attached.

Sponsoring Witnesses:

Grady "Tripp" S. Carpenter
Marc W. Arnold
William C. Luke

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Capital Expenditure Budget
Years 2024-2026

Line No.	Project ID/Description	CWIP Balance @ 12/31/23	Projected Expenditures (includes AFUDC) 2024	2025	2026
1	NORMAL RECURRING CONSTRUCTION	52,659,220	122,294,047	137,349,719	111,089,118
2					
3	WD401206 - Woodsdale CT Unit 4 Major Inspection	0	13,993,908	0	0
4	WD501205 - Woodsdale CT Unit 5 Major Inspection	0	0	15,906,201	0
5	WD201206 - Woodsdale CT Unit 2 Major Inspection	0	0	514,812	15,388,144
6	East Bend Limestone Conversion	0	5,500,000	34,000,000	66,000,000
7	Woodsdale Solar Generation	0	0	1,756,708	14,308,931
8					
9	TOTAL	52,659,220	141,787,955	189,527,439	206,786,193

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(c)

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807 KAR 5:001, SECTION 16(7)(c)

Description of Filing Requirement:

A complete description, which may be filed in written testimony form, of all factors used in preparing the utility's forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.

Response:

Attached is a copy of the Confidential Budget Guidelines for 2024 and a summary of the assumptions that were used in developing the projected data in the base and forecasted test periods. Descriptions of the factors used in preparing the forecasted test period are also incorporated in each witness' pre-filed testimony.

All confidential information is being provided under seal pursuant to a Petition for Confidential Treatment that is being filed simultaneously with this Application.

Sponsoring Witness:

Grady "Tripp" S. Carpenter

CONFIDENTIAL PROPRIETARY TRADE SECRET

FR 16(7)(c) CONFIDENTIAL ATTACHMENT

BEING FILED UNDER SEAL

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(d)

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807 KAR 5:001, SECTION 16(7)(d)

Description of Filing Requirement:

The utility's annual and monthly budget for the twelve (12) months preceding the Filing Date, the Base Period, and Forecasted Period.

Response:

See the attached for the Company's official 2023, 2024 and 2025 operating budgets which include the 12 months preceding the Filing Date (December 2023 - November 2024) and the Base Period (March 2024 - February 2025). The requested annual budget for the 12 months of the Forecasted Test Period is provided in Schedule C-1. The monthly revenue and monthly O&M amounts are shown in Work Papers WPC-2d and WPC-2.1a, respectively. This data is comprised of Duke Energy Kentucky's 2024 annual budget and extended through June 2026 as described in the testimony of Mr. Carpenter.

Sponsoring Witness: Grady "Tripp" S. Carpenter

DE Kentucky Electric

Dynamic Income Statement for Budget

Periodic

	Jan 2025 Budget Periodic	Feb 2025 Budget Periodic	Mar 2025 Budget Periodic	Apr 2025 Budget Periodic	May 2025 Budget Periodic	Jun 2025 Budget Periodic	Jul 2025 Budget Periodic	Aug 2025 Budget Periodic	Sep 2025 Budget Periodic	Oct 2025 Budget Periodic	Nov 2025 Budget Periodic	Dec 2025 Budget Periodic	Dec 2025 Budget YTD
Operating Revenue													
Regulated Electric	43,477,284	40,270,290	36,536,038	32,152,473	35,728,845	43,669,496	46,938,572	46,781,570	41,170,069	33,623,156	40,353,073	46,797,747	487,498,613
Non-Regulated Electric	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	850,000
Total Operating Revenue	**43,548,117**	**40,341,124**	**36,606,871**	**32,223,306**	**35,799,678**	**43,740,329**	**47,009,405**	**46,852,403**	**41,240,903**	**33,693,990**	**40,423,906**	**46,868,580**	**488,348,613**
Operating Expenses													
Fuel used in Electric Generation and Purchased Power	18,129,781	13,355,010	11,951,608	9,865,137	11,624,312	14,239,154	16,655,806	15,522,122	12,743,172	10,631,636	15,324,813	18,182,705	168,225,256
Operations, Maintenance and Other	12,840,672	12,646,177	12,244,626	10,775,283	10,098,086	10,516,132	11,025,042	11,350,596	12,360,461	12,052,175	10,432,155	14,614,342	140,955,746
Depreciation and Amortization	7,081,726	7,078,735	7,077,992	7,088,561	7,087,721	7,090,251	7,128,209	7,125,769	7,123,514	7,161,672	7,196,820	7,260,622	85,501,591
Property and Other Taxes	1,460,201	1,460,201	1,460,201	1,460,201	1,460,201	1,460,201	1,460,201	1,460,201	1,460,201	1,460,201	1,460,201	1,460,201	17,522,415
Total Operating Expenses	**39,512,379**	**34,540,122**	**32,734,427**	**29,189,182**	**30,270,321**	**33,305,738**	**36,269,258**	**35,458,688**	**33,687,348**	**31,305,685**	**34,413,990**	**41,517,869**	**412,205,008**
Gain/(Loss) on Sales of Other Assets and Other, net	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Income	**4,035,738**	**5,801,001**	**3,872,444**	**3,034,124**	**5,529,357**	**10,434,591**	**10,740,147**	**11,393,715**	**7,553,555**	**2,388,305**	**6,009,917**	**5,350,711**	**76,143,605**
Other Income and Expenses													
Employee Benefits: Non-service Costs - (Exp) / Inc	69,363	69,363	69,363	69,363	69,363	69,363	69,363	69,363	69,363	69,363	69,363	69,363	832,355
AFUDC and Other Deferred Returns	183,521	208,386	230,690	263,441	265,665	235,269	246,788	287,002	357,952	377,295	328,218	172,739	3,156,966
Interest and Dividends	3,708	3,708	3,708	3,708	3,708	3,708	3,292	3,292	3,292	3,292	3,292	3,292	42,000
I/C Interest Income (Moneypool AC 0419429)	1,584	10,935	11,224	2,527	2,862	3,084	2,969	3,295	103,466	103,673	4,037	4,212	253,868
Other Income and Expenses	**258,176**	**292,392**	**314,985**	**339,040**	**341,598**	**311,425**	**322,411**	**362,952**	**534,072**	**553,622**	**404,909**	**249,606**	**4,285,189**
Earnings Before Interest Expense and Taxes	**4,293,914**	**6,093,393**	**4,187,429**	**3,373,164**	**5,870,956**	**10,746,016**	**11,062,558**	**11,756,668**	**8,087,627**	**2,941,927**	**6,414,826**	**5,600,317**	**80,428,794**
Interest Expense	2,629,547	2,596,651	2,588,766	2,624,263	2,579,145	2,592,126	2,615,855	2,573,548	2,992,378	2,994,183	3,007,041	3,033,543	32,827,046
Earnings From Continuing Operations Before Income Taxes	**1,664,367**	**3,496,743**	**1,598,663**	**748,901**	**3,291,811**	**8,153,890**	**8,446,703**	**9,183,120**	**5,095,249**	**(52,257)**	**3,407,785**	**2,566,774**	**47,601,748**
Income Tax Expense (Benefit) From Continuing Operations	37,440	486,785	9,380	(210,012)	421,600	1,637,865	1,707,795	1,880,870	846,991	(437,483)	434,881	264,458	7,080,568
Income from Continuing Operations Attributable to Duke Energy Corp	**1,626,927**	**3,009,957**	**1,589,283**	**958,913**	**2,870,211**	**6,516,025**	**6,738,909**	**7,302,250**	**4,248,258**	**385,227**	**2,972,905**	**2,302,316**	**40,521,180**
Income (Loss) From Continuing Operations	**1,626,927**	**3,009,957**	**1,589,283**	**958,913**	**2,870,211**	**6,516,025**	**6,738,909**	**7,302,250**	**4,248,258**	**385,227**	**2,972,905**	**2,302,316**	**40,521,180**
Net Inc Bfr Ext and Chg in Acct. Prin.	**1,626,927**	**3,009,957**	**1,589,283**	**958,913**	**2,870,211**	**6,516,025**	**6,738,909**	**7,302,250**	**4,248,258**	**385,227**	**2,972,905**	**2,302,316**	**40,521,180**
Consolidated Net Income	**1,626,927**	**3,009,957**	**1,589,283**	**958,913**	**2,870,211**	**6,516,025**	**6,738,909**	**7,302,250**	**4,248,258**	**385,227**	**2,972,905**	**2,302,316**	**40,521,180**
Less: Net (Loss) Income Attributable to Noncontrolling Interests	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income Attributable to Company	**1,626,927**	**3,009,957**	**1,589,283**	**958,913**	**2,870,211**	**6,516,025**	**6,738,909**	**7,302,250**	**4,248,258**	**385,227**	**2,972,905**	**2,302,316**	**40,521,180**
Less: Preferred Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income Attributable to Controlling Interest	**1,626,927**	**3,009,957**	**1,589,283**	**958,913**	**2,870,211**	**6,516,025**	**6,738,909**	**7,302,250**	**4,248,258**	**385,227**	**2,972,905**	**2,302,316**	**40,521,180**

DE Kentucky Electric

Dynamic Income Statement for Budget

Periodic

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	Periodic	Periodic	Periodic	Periodic	Periodic	Periodic	Periodic	Periodic	Periodic	Periodic	Periodic	Periodic	YTD
Operating Revenue													
Regulated Electric	49,940,973	46,495,838	38,946,375	35,896,692	34,804,655	40,637,856	48,712,490	45,270,139	40,234,105	34,955,606	39,173,922	44,242,051	499,310,702
Non-Regulated Electric	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	850,000
Total Operating Revenue	50,011,806	46,566,671	39,017,209	35,967,525	34,875,488	40,708,690	48,783,323	45,340,973	40,304,939	35,026,439	39,244,756	44,312,884	500,160,702
Operating Expenses													
Fuel used in Electric Generation and Purchased Power	20,551,052	16,611,402	13,905,581	11,772,886	11,350,911	13,592,443	19,302,515	15,488,047	13,482,856	11,432,740	14,142,558	16,642,013	178,275,003
Operations, Maintenance and Other	11,762,542	12,003,620	11,778,773	8,328,402	9,577,048	9,441,940	10,024,652	9,330,810	10,190,945	9,888,580	10,735,839	11,559,239	124,622,389
Depreciation and Amortization	6,803,760	6,799,928	6,797,551	6,799,887	6,798,768	6,806,107	6,897,772	6,921,408	6,943,845	6,968,968	6,995,418	7,024,003	82,557,413
Property and Other Taxes	1,445,825	1,446,203	1,448,687	1,450,615	1,480,976	1,451,920	1,450,695	1,450,005	1,450,650	1,451,708	1,481,235	1,449,527	17,458,046
Total Operating Expenses	40,563,179	36,861,152	33,930,591	28,351,790	29,207,702	31,292,409	37,675,634	33,190,270	32,068,296	29,741,996	33,355,050	36,674,782	402,912,852
Gain/(Loss) on Sales of Other Assets and Other, net	0	-	-	-	0	0	0	0	0	0	0	0	-
Operating Income	9,448,627	9,705,518	5,086,618	7,615,735	5,667,786	9,416,280	11,107,689	12,150,703	8,236,643	5,284,443	5,889,706	7,638,102	97,247,851
Other Income and Expenses													
Employee Benefits: Non-service Costs - (Exp) / Inc	101,009	101,009	101,009	101,009	101,009	101,009	101,009	101,009	101,009	101,009	101,009	101,009	1,212,106
AFUDC and Other Deferred Returns	74,874	144,586	178,591	239,788	245,723	319,314	273,632	259,416	239,527	220,578	208,619	186,258	2,590,907
Interest and Dividends	6,849	4,250	4,250	4250	4250	4,250	3671	3,958	3,958	3,958	3,958	3,958	51,562
I/C Interest Income (Moneypool AC 0419429)	238	677	439	0	0	193,726	514,906	541,586	335,288	110,560	106,922	51,338	1,855,680
Other Income and Expenses	182,971	250,522	284,289	345,047	350,982	618,299	893,218	905,969	679,783	436,105	420,508	342,564	5,710,255
Earnings Before Interest Expense and Taxes	9,631,598	9,956,040	5,370,906	7,960,783	6,018,768	10,034,579	12,000,907	13,056,672	8,916,425	5,720,548	6,310,214	7,980,666	102,958,106
Interest Expense	2,026,808	1,981,003	1,907,444	1,901,509	1,845,731	2,402,437	2,611,351	2,578,597	2,595,285	2,625,154	2,591,862	2,610,565	27,677,748
Earnings From Continuing Operations Before Income Taxes	7,604,790	7,975,037	3,463,463	6,059,274	4,173,037	7,632,142	9,389,556	10,478,075	6,321,140	3,095,394	3,718,351	5,370,101	75,280,358
Income Tax Expense (Benefit) From Continuing Operations	1629276	1,700,309	486,562	1,199,948	711,935	1,646,575	1,935,513	2,209,652	872,334	383,980	541,819	1,245,248	14,563,152
Income from Continuing Operations Attributable to Duke Energy Corp	5,975,513	6,274,729	2,976,900	4,859,326	3,461,101	5,985,568	7,454,042	8,268,422	5,448,806	2,711,414	3,176,532	4,124,852	60,717,206
Income (Loss) From Continuing Operations	5,975,513	6,274,729	2,976,900	4,859,326	3,461,101	5,985,568	7,454,042	8,268,422	5,448,806	2,711,414	3,176,532	4,124,852	60,717,206
Net Inc Bfr Ext and Chg in Acct. Prin.	5,975,513	6,274,729	2,976,900	4,859,326	3,461,101	5,985,568	7,454,042	8,268,422	5,448,806	2,711,414	3,176,532	4,124,852	60,717,206
Consolidated Net Income	5,975,513	6,274,729	2,976,900	4,859,326	3,461,101	5,985,568	7,454,042	8,268,422	5,448,806	2,711,414	3,176,532	4,124,852	60,717,206
Less: Net (Loss) Income Attributable to Noncontrolling Interests	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income Attributable to Company	5,975,513	6,274,729	2,976,900	4,859,326	3,461,101	5,985,568	7,454,042	8,268,422	5,448,806	2,711,414	3,176,532	4,124,852	60,717,206
Less: Preferred Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income Attributable to Controlling Interest	5,975,513	6,274,729	2,976,900	4,859,326	3,461,101	5,985,568	7,454,042	8,268,422	5,448,806	2,711,414	3,176,532	4,124,852	60,717,206

Duke Energy Segment Reporting

DE Kentucky Electric
Dynamic Income Statement for Budget
Periodic

	Jan 2023 Budget Periodic	Feb 2023 Budget Periodic	Mar 2023 Budget Periodic	Apr 2023 Budget Periodic	May 2023 Budget Periodic	Jun 2023 Budget Periodic	Jul 2023 Budget Periodic	Aug 2023 Budget Periodic	Sep 2023 Budget Periodic	Oct 2023 Budget Periodic	Nov 2023 Budget Periodic	Dec 2023 Budget Periodic	Dec 2023 Budget YTD
Operating Revenue													
Regulated Electric	32,866,604	33,353,157	31,489,271	28,402,990	29,993,690	36,571,078	40,137,160	39,602,567	34,127,239	30,810,991	32,350,578	32,841,213	402,546,537
Total Operating Revenues	32,866,604	33,353,157	31,489,271	28,402,990	29,993,690	36,571,078	40,137,160	39,602,567	34,127,239	30,810,991	32,350,578	32,841,213	402,546,537
Operating Expenses													
Fuel used in Electric Generation and Purchased Power	9,381,250	9,897,815	10,554,046	8,330,364	8,529,277	12,421,103	13,548,167	13,277,838	11,205,705	9,363,942	10,528,018	10,745,479	127,993,003
Operations, Maintenance and Other	13,907,305	9,906,878	11,524,363	10,370,411	9,663,620	9,181,709	9,960,318	10,592,036	9,886,295	9,760,078	10,490,232	11,126,674	126,369,938
Depreciation and Amortization	5,998,186	5,966,127	5,966,051	5,993,825	5,909,840	5,911,177	5,975,460	5,931,955	5,971,240	6,009,721	6,009,060	6,015,463	71,658,304
Property and Other Taxes	1,741,293	1,741,293	1,741,293	1,741,293	1,741,293	1,741,293	1,741,293	1,741,293	1,741,293	1,741,293	1,741,293	1,741,293	20,895,519
Total Operating Expenses	31,028,034	27,512,314	29,785,754	26,435,913	25,844,030	29,256,281	31,225,238	31,543,122	28,804,532	27,075,034	28,778,604	29,628,909	346,916,765
Operating Income	1,838,571	5,840,843	1,703,517	1,967,077	4,149,659	7,315,797	8,911,922	8,059,446	5,322,706	3,735,957	3,571,975	3,212,303	55,629,772
Other Income and Expenses													
71XX_OTHER_INCOME - Other Income	79,091	79,091	79,091	79,091	79,091	79,091	79,091	79,091	79,091	79,091	79,091	79,091	949,092
7311_AFUDC_OTH_DF_RT - AFUDC and Other Deferred Return	111,494	115,839	115,880	119,571	126,966	116,334	107,166	108,095	107,322	111,759	117,246	104,804	1,362,477
7312_DEF_RETURN -Deferred Returns													0
7330_INTERCO_INT - Intercompany Interest Income	101,640	111,429	108,897	74,323	66,704	74,642	63,280	70,120	90,295	100,356	90,836	109,938	1,002,449
Other Income and Expenses	292,225	306,359	303,868	272,985	272,762	270,067	249,537	257,306	276,697	291,386	287,173	293,833	3,374,019
Earnings Before Interest Expense and Taxes	2,130,796	6,147,201	2,007,385	2,240,061	4,422,421	7,585,864	9,161,459	8,316,752	5,599,404	4,027,163	3,859,147	3,506,137	59,003,790
Interest Expense	1,700,120	1,675,889	1,717,552	1,700,305	1,661,481	1,728,616	1,704,876	1,668,461	1,955,542	1,958,757	1,890,422	1,958,913	21,320,936
Earnings From Continuing Operations Before Income Taxes	430,676	4,471,313	289,833	539,757	2,760,940	5,857,248	7,456,582	6,648,291	3,643,862	2,068,407	1,968,726	1,547,223	37,682,855
Income Tax Expense (Benefit) From Continuing Operations	(171,345)	831,983	(207,630)	(146,508)	403,746	1,176,036	1,575,815	1,374,550	627,749	234,894	208,654	106,865	6,014,808
Income From Continuing Operations Attributable to Duke Energy Corp	602,021	3,639,329	497,463	686,265	2,357,194	4,681,212	5,880,767	5,273,741	3,016,113	1,833,513	1,760,072	1,440,358	31,668,047
Income (Loss) From Continuing Operations	602,021	3,639,329	497,463	686,265	2,357,194	4,681,212	5,880,767	5,273,741	3,016,113	1,833,513	1,760,072	1,440,358	31,668,047
Net Inc Bfr Ext and Chg in Acct. Prin.	602,021	3,639,329	497,463	686,265	2,357,194	4,681,212	5,880,767	5,273,741	3,016,113	1,833,513	1,760,072	1,440,358	31,668,047
Consolidated Net Income	602,021	3,639,329	497,463	686,265	2,357,194	4,681,212	5,880,767	5,273,741	3,016,113	1,833,513	1,760,072	1,440,358	31,668,047
Less: Net (Loss) Income Attributable to Noncontrolling Interests	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income Attributable to Company	602,021	3,639,329	497,463	686,265	2,357,194	4,681,212	5,880,767	5,273,741	3,016,113	1,833,513	1,760,072	1,440,358	31,668,047
Less: Preferred Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income Attributable to Controlling Interest	602,021	3,639,329	497,463	686,265	2,357,194	4,681,212	5,880,767	5,273,741	3,016,113	1,833,513	1,760,072	1,440,358	31,668,047

Report: TREND_IS_BUDGET
Run By: T27547
Run Date: November 11, 2022 9:28:16 PM

Reporting

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(e)

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807 KAR 5:001, SECTION 16(7)(e)

Description of Filing Requirement:

A statement of attestation signed by the utility's chief officer in charge of Kentucky operations which shall provide:

(1) that the forecast is reasonable, reliable, made in good faith and that all basic assumptions used in the forecast have been identified and justified;

(2) that the forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, or an identification and explanation for any differences that exist; and

(3) that productivity and efficiency gains are included in the forecast.

Response:

See attached.

Sponsoring Witness:

Amy B. Spiller

AFFIDAVIT OF AMY B. SPILLER

STATE OF OHIO)
)
COUNTY OF HAMILTON)

Now comes Amy B. Spiller, President of Duke Energy Kentucky, Inc., and as required by 807 KAR 5:001, Section 16(7)(e), hereby attests as follows:

1. The forecast used in this rate application is reasonable, reliable, made in good faith, and that all basic assumptions used in the forecast have been identified and justified;
2. The forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, or an identification and explanation for any differences that exist, if applicable; and
3. Productivity and efficiency gains are included in the forecast.

Further affiant sayeth naught.

Amy B. Spiller, Affiant

Sworn and subscribed before me by Amy B. Spiller on this 27th day of November 2024.

Notary Public

My Commission Expires: July 8, 2027

EMILIE SUNDERMAN
Notary Public
State of Ohio
My Comm. Expires
July 8, 2027

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(f)(1) through (4)

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807 KAR 5:001, SECTION 16(7)(f)(1) through (4)

Description of Filing Requirement:

For each major construction project which constitutes five (5) percent or more of the annual construction budget within the three (3) year forecast the following information shall be filed:

(1) The date the project was started or estimated starting date;

(2) The estimated completion date;

(3) The total estimated cost of construction by year exclusive and inclusive of allowance for funds used during construction ("AFUDC") or interest during construction credit; and,

(4) The most recent available total costs incurred exclusive and inclusive of AFUDC or interest during construction credit.

Response:

See attached.

Sponsoring Witness:

Grady "Tripp" S. Carpenter
Marc W. Arnold
William C. Luke

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Major Construction Projects
Constituting 5% or More of Annual Budget

Line No.	Project ID/Description	Actual or Projected Start Date	Projected Completion Date	Estimated Costs Including AFUDC 2024	Estimated Costs Including AFUDC 2025	Estimated Costs Including AFUDC 2026	Estimated Costs Excluding AFUDC 2024	Estimated Costs Excluding AFUDC 2025	Estimated Costs Excluding AFUDC 2026	Actual Costs To Date incl AFUDC	Actual Costs To Date excl AFUDC
1	WD401206 - Woodsdale CT Unit 4 Major Inspection	6/1/2024	11/30/2024	13,993,908	-	-	13,520,684	-	-	0	0
2	WD501205 - Woodsdale CT Unit 5 Major Inspection	1/1/2025	10/31/2025	-	15,906,201	-	-	15,821,335	-	0	0
3	WD201206 - Woodsdale CT Unit 2 Major Inspection	5/1/2025	5/31/2026	-	514,812	15,388,144	-	498,203	15,166,855	0	0
4	East Bend Limestone Conversion	7/1/2024	10/31/2026	5,500,000	34,000,000	66,000,000	5,500,000	34,000,000	63,700,000	0	0
5	Woodsdale Solar Generation	1/1/2025	12/31/2028	-	1,756,708	14,308,931	-	1,700,000	13,900,000	0	0

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(g)

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807 KAR 5:001, SECTION 16(7)(g)

Description of Filing Requirement:

For all construction projects which constitute less than five (5) percent of the annual construction budget within the three (3) year forecast, the utility shall file an aggregate of the information requested in paragraph (f) 3 and 4 of this subsection.

Response:

See attached.

Sponsoring Witness:

Grady "Tripp" S. Carpenter
Marc W. Arnold
William C. Luke

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Major Construction Projects
Constituting Less than 5% of Annual Budget

Line No.	Project ID/Description	Actual or Projected Start Date	Projected Completion Date	Estimated Costs Including AFUDC 2024	Estimated Costs Including AFUDC 2025	Estimated Costs Including AFUDC 2026	Estimated Costs Excluding AFUDC 2024	Estimated Costs Excluding AFUDC 2025	Estimated Costs Excluding AFUDC 2026	Actual Costs To Date incl AFUDC	Actual Costs To Date excl AFUDC
1	Sum of all projects not included on 7(f)	Various	Various	122,294,047	137,349,719	111,089,118	119,171,747	133,032,673	109,929,582	52,659,220	50,868,120

807 KAR 5:001, SECTION 16(7)(h)

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

(1) Operating income statement (exclusive of dividends per share or earnings per share);

(2) Balance sheet;

(3) Statement of cash flows;

(4) Revenue requirements necessary to support the forecasted rate of return;

(5) Load forecast including energy and demand (electric);

(6) Access line forecast (telephone);

(7) Mix of generation (electric);

(8) Mix of gas supply (gas);

(9) Employee level;

(10) Labor cost changes;

(11) Capital structure requirements;

(12) Rate base;

(13) Gallons of water projected to be sold (water);

(14) Customer forecast (gas, water);

(15) MCF sales forecasts (gas);

(16) Toll and access forecast of number of calls and number of minutes (telephone); and

(17) A detailed explanation of any other information provided, if applicable.

Response:

Items 6, 13, 16, and 17 are not applicable. For all other items, see attached.

Sponsoring Witnesses:

Grady "Tripp" S. Carpenter – Items 1, 2, 3, 4, 8, 9, 10, 11, 12
Ibrar A. Khera – Item 5, 14, 15
John D. Swez – Item 7

FR 16(7)(h)(1)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Projected Income Statement 2024-2026

Line No.	Description	2024	2025	2026
1	Operating Revenue			
2	Electric Revenue	$ 505,407,339	$ 509,498,613	$ 529,961,194
3	Gas Revenue	148,366,399	165,773,308	193,214,678
4	Other Revenue	424,853	850,000	850,000
5	Total Operating Revenue	$ 654,198,591	$ 676,121,921	$ 724,025,871
6	Operating Expenses			
7	Fuel & Purchased Power	171,191,013	168,225,256	163,457,501
8	Gas Purchased	60,841,088	70,873,208	72,687,787
9	Operation & Maintenance	151,271,367	163,540,912	167,186,838
10	Depreciation & Amortization	108,176,967	109,897,877	113,631,001
11	Taxes Other Than Income	24,449,939	23,407,416	27,513,252
12	Operating Expenses before Income Tax	$ 515,930,374	$ 535,944,668	$ 544,476,379
13	Pre-Tax Operating Income	$ 138,268,217	$ 140,177,253	$ 179,549,492
14	Other Income	9,063,307	5,884,684	4,648,363
15	Interest Expense	36,048,109	45,111,635	56,081,063
16	State Income Taxes	5,127,307	4,734,546	6,105,078
17	Federal Income Taxes	16,897,840	14,721,455	23,436,756
18	Total Income Taxes	$ 22,025,147	$ 19,456,001	$ 29,541,834
19	Income Available for Common Dividends	$ 89,258,268	$ 81,494,302	$ 98,574,958
20	Average Common Equity	$ 1,286,110,527	$ 1,294,343,723	$ 1,369,378,353
21	Earned Return	6.94%	6.30%	7.20%

FR 16(7)(h)(2)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Projected Balance Sheet 2024-2026

Line No.	Description	2024	2025	2026
1	**Assets**			
2	Utility plant in service	$ 3,544,278,889	$ 3,770,190,288	$ 4,043,730,155
3	Construction work in progress	55,725,095	83,229,154	57,883,452
4	Total Utility Plant	$ 3,600,003,984	$ 3,853,419,442	$ 4,101,613,607
5	Non-regulated property, plant, and equipment	29,330	29,330	29,330
6	Accumulated depreciation	1,206,471,782	1,275,835,927	1,350,535,319
7	Net Property, Plant, and Equipment	$ 2,393,561,533	$ 2,577,612,845	$ 2,751,107,618
8	Current Assets	216,720,939	203,982,254	225,707,167
9	Other Assets	299,489,962	292,275,163	284,607,386
10	Total Assets	$ 2,909,772,434	$ 3,073,870,262	$ 3,261,422,172
	Liabilities			
11	Total Current Liabilities	264,610,803	265,281,541	246,094,887
12	Long-term debt	808,956,530	914,252,276	1,012,758,906
13	Accumulated deferred income taxes	311,739,784	326,246,062	338,317,469
14	Excess deferred income taxes	93,219,925	88,686,214	87,264,619
15	Unamortized investment tax credits	5,120,973	5,120,973	5,120,973
16	Other	157,527,847	154,192,323	153,199,487
17	Total Non-Current Liabilities	$ 1,376,565,059	$ 1,488,497,848	$ 1,596,661,452
18	Total Common Stock Equity	1,268,596,572	1,320,090,874	1,418,665,832
19	Total Liabilities	$ 2,909,772,434	$ 3,073,870,262	$ 3,261,422,172

FR 16(7)(h)(3)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Projected Cash Flow Statement 2024-2026

Line No.	Description	2024	2025	2026
1	Net Income	$ 89,258,268	$ 81,494,302	$ 98,574,958
2	Other Operating Activities	141,694,920	123,714,760	113,508,218
3	Cash from Operating Activities	$ 230,953,189	$ 205,209,062	$ 212,083,176
4	Financing Activities			
5	Change in contributed capital	$ (140,000,000)	$ (30,000,000)	$ -
6	Change in short-term debt	(49,697,925)	47,266,979	(53,332,090)
7	Issuance of long-term debt	180,000,000	150,000,000	175,000,000
8	Change in non-current capital leases	-	-	-
9	Redemption of long-term debt	-	(95,000,000)	(45,000,000)
10	Dividends on common stock	-	-	-
11	Cash from Financing Actitivies	$ (9,697,925)	$ 72,266,979	$ 76,667,910
12	Investing Activities			
13	Construction Expenditures (net of AFUDC)	$ (212,802,376)	$ (270,855,187)	$ (266,519,773)
14	Acquisitions and other investments	(10,520,271)	(6,620,855)	(5,357,351)
15	Cash from Investing Actitivies	$ (223,322,647)	$ (277,476,042)	$ (271,877,124)
16	Net Increase/(Decrease) in Cash	$ (2,067,383)	$ -	$ 16,873,962

FR 16(7)(h)(4)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Revenue Requirements 2024-2026

Line No.	Description	2024	2025	2026
1	Rate Base	$ 1,388,222,133	$ 1,487,002,191	$ 1,613,843,078
2	Operating Income	$ 88,471,881	$ 84,858,229	$ 96,799,467
3	Earned Rate of Return (Line 2 / Line 1)	6.400%	5.700%	6.000%
4	Rate of Return	8.011%	7.968%	7.968%
5	Required Operating Income (Line 1 x Line 4)	$ 111,210,475	$ 118,484,335	$ 128,591,016
6	Operating Income Deficiency (Line 5 - Line 2)	$ 22,738,594	$ 33,626,106	$ 31,791,549
7	Gross Revenue Conversion Factor	1.3464970	1.3464970	1.3464970
8	Revenue Deficiency (Line 6 x Line 7)	$ 30,617,449	$ 45,277,450	$ 42,807,226

FR 16(7)(h)(5)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Load Forecast 2024-2026

Line No.	Description	2024	2025	2026
1	KW Demand - Coincident Peak			
2				
3	January	748,000	736,653	737,652
4	February	694,995	657,812	658,796
5	March	599,893	600,161	600,148
6	April	514,594	515,504	516,069
7	May	620,300	620,209	620,175
8	June	741,210	739,235	738,946
9	July	807,649	809,571	812,200
10	August	798,608	796,132	796,675
11	September	665,231	660,671	659,577
12	October	517,537	516,020	521,497
13	November	604,106	607,663	609,177
14	December	687,195	691,795	693,271
15				
16	KWH Sales			
17				
18	January	323,270,483	349,082,207	350,053,271
19	February	357,367,018	329,796,206	331,052,907
20	March	308,611,028	309,445,454	310,083,206
21	April	281,834,640	282,702,204	283,434,261
22	May	295,067,496	295,717,529	296,374,503
23	June	351,376,515	351,067,009	351,558,374
24	July	384,529,809	384,636,899	385,273,917
25	August	384,592,435	383,723,643	384,006,426
26	September	333,760,760	331,959,383	331,910,151
27	October	297,088,489	296,318,317	296,571,294
28	November	301,034,763	300,318,947	300,485,497
29	December	354,248,238	353,836,890	353,941,637

FR 16(7)(h)(7)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Mix of Generation 2024-2026

Line No.	Description	2024	2025	2026
1	Coal	1,552,744	1,529,540	1,501,614
2	Natural Gas	245,535	79,664	71,749
3	Oil	-	-	-
4	Total Generation (MWH)	1,798,279	1,609,204	1,573,363

FR 16(7)(h)(8)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Mix of Gas Supply 2024-2026

Line No.	Description	2024	2025	2026
1	Columbia Gas Trans - No Notice	1,138,582	1,138,582	1,138,582
2	Undetermined	9,056,263	9,042,036	9,068,761
3	Propane - Air	-	-	-
4	Total Supply - MCF	10,194,845	10,180,618	10,207,343
5	Columbia Gas Trans - No Notice	$3,588,670	$4,225,490	$4,704,808
6	Undetermined	$36,184,685	$42,909,741	$44,778,892
7	Propane - Air	-	-	-
8	Demand Costs	$22,370,853	$23,470,344	$23,470,344
9	Total Cost	$ 62,144,208	$ 70,605,575	$ 72,954,043

FR 16(7)(h)(9)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Number of Employees 2024-2026

Line No.	Description	2024	2025	2026
1	Number of employees	142	142	142

This count includes only direct employees of Duke Energy Kentucky, Inc.

FR 16(7)(h)(10)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Labor Cost Changes 2024-2026

Line No.	Description	2024	2025	2026
1	Total Labor Costs:			
2				
3	Gas O&M Expense	$ 7,511,455	$ 7,774,356	$ 8,046,459
4	Electric O&M Expense	16,240,336	16,631,024	17,213,110
5	Total O&M	$ 23,751,791	$ 24,405,380	$ 25,259,568
6				
7	Gas Capital	$ 7,993,256	$ 8,273,020	$ 8,562,576
8	Electric Capital	18,063,129	18,108,530	18,742,328
9	Non-jurisdictional Capital	-	-	-
10	Total Capital	$ 26,056,385	$ 26,381,550	$ 27,304,904
11				
12	Total	$ 49,808,176	$ 50,786,930	$ 52,564,472

Includes incentives (direct & allocated).

FR 16(7)(h)(11)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Capital Structure Requirements 2024-2026

Line No.	Description	2024		2025		2026	
1	Common Equity	$ 1,268,596,572	58.229%	$ 1,320,090,874	56.589%	$ 1,418,665,832	56.560%
2	Long-term Debt	808,956,530	37.131%	914,252,276	39.192%	1,012,758,906	40.377%
3	Short-term Debt	101,082,366	4.640%	98,423,917	4.219%	76,830,942	3.063%
4	Total Capital	$ 2,178,635,468	100.00%	$ 2,332,767,066	100.00%	$ 2,508,255,680	100.00%

FR 16(7)(h)(12)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Rate Base 2024-2026

Line No.	Description	2024	2025	2026
1	Adjusted Jurisdictional Plant in Service	$ 2,481,440,673	$ 2,628,524,989	$ 2,845,717,820
2	Accumulated Depreciation and Amortization	(971,435,656)	(1,026,320,724)	(1,084,943,831)
3	Net Plant in Service (Line 1 + Line 2)	$ 1,510,005,016	$ 1,602,204,265	$ 1,760,773,989
4	Construction Work in Progress	48,801,535	80,058,528	54,286,095
5	Cash Working Capital Allowance	16,179,167	17,788,769	18,306,062
6	Other Working Capital Allowances	73,776,691	54,676,691	54,676,691
7	Other Items:			
8	Customers' Advances for Construction	0	0	0
9	Investment Tax Credits	(5,135,704)	(5,135,704)	(5,135,704)
10	Deferred Income Taxes	(209,404,533)	(218,189,200)	(223,149,665)
11	Excess Deferred Income Taxes	(55,004,306)	(51,001,027)	(50,109,864)
12	Other Rate Base Adjustments	9,004,267	6,599,870	4,195,473
13	Jurisdictional Rate Base (Line 3 through Line 11)	$ 1,388,222,133	$ 1,487,002,191	$ 1,613,843,078

FR 16(7)(h)(14)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
Customer Forecast 2024-2026

Line No.	Description	2024	2025	2026
1	Residential	139,184	140,321	141,253
2	Commercial	12,472	12,270	12,143
3	Industrial	324	329	329
4	Other	1,385	1,400	1,408
5	Total Electric Retail	153,365	154,320	155,133
6	Residential	97,200	97,698	98,199
7	Commercial	6,429	6,394	6,359
8	Industrial	182	183	184
9	Other	308	306	304
10	Total Full Requirements	104,119	104,581	105,047
11				
12	Transportation			
13	Commercial	58	58	58
14	Industrial	49	49	49
15	Other	40	40	40
16	Total Transportation	148	147	147
17				
18	Total Gas Retail (Line 10 + Line 16)	104,266	104,729	105,194

FR 16(7)(h)(15)

Duke Energy Kentucky, Inc.
Case No. 2024-00354
MCF Sales Forecast 2024-2026

Line No.	Description	2024	2025	2026
1	Residential	6,238,278	6,218,447	6,235,367
2	Commercial	2,935,443	2,941,126	2,947,627
3	Industrial	204,553	205,725	207,107
4	Other	279,849	279,383	279,834
5	Interdepartmental	3,986	3,992	3,997
6	Total Retail	9,662,109	9,648,673	9,673,933
7	Transportation			
8	Commercial	984,828	985,046	986,418
9	Industrial	1,704,477	1,718,963	1,732,643
10	Other	1,886,860	1,897,044	1,910,467
11	Total Transportation	4,576,166	4,601,053	4,629,528
12	Total MCF Sales	14,238,275	14,249,726	14,303,461

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(i)

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807 KAR 5:001, SECTION 16(7)(i)

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission or Federal Communication Commission audit reports.

Response:

See attached.

Witness Responsible:

Danielle L. Weatherston

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

In Reply Refer To:
Office of Enforcement
Docket No. PA14-2-000
April 1, 2016

Duke Energy Corporation
Attention: Mr. Brian D. Savoy
Senior Vice President, Chief Accounting
Officer and Controller
550 South Tryon St.
Charlotte, NC 28202

Dear Mr. Savoy:

1. The Division of Audits and Accounting (DAA) within the Office of Enforcement (OE) of the Federal Energy Regulatory Commission (Commission) has completed an audit of Duke Energy Corporation (Duke Energy) and its public utility subsidiaries. The audit covered the period from January 1, 2011 through January 31, 2016.

2. The audit evaluated Duke Energy's compliance with conditions and requirements established in Commission orders authorizing the merger of Duke Energy and Progress Energy, Inc. The audit also evaluated each Duke Energy public utility subsidiary's compliance with: (1) tariff requirements governing its transmission formula rate; (2) accounting regulations in 18 C.F.R. Part 101, Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act; and (3) financial reporting regulations in 18 C.F.R. Part 141, Statements and Reports. The enclosed audit report contains eight findings and 37 recommendations that require Duke Energy to take corrective action.

3. On March 30, 2016, you notified DAA that Duke Energy does not contest the audit report or any of its recommendations. A copy of your verbatim response is included as an appendix to this report. I hereby approve the audit report.

4. Duke Energy should submit its implementation plan to comply with the recommendations within 30 days of this letter order. Duke Energy should make quarterly submissions to DAA describing the progress made to comply with the recommendations, including the completion date for each corrective action. As directed by the audit report, these submissions should be made no later than 30 days after the end of each calendar quarter, beginning with the first quarter after this audit report is issued, and continuing until all the corrective actions are completed.

5. The Commission delegated authority to act on this matter to the Director of OE under 18 C.F.R. § 375.311 (2015). This letter order constitutes final agency action. Duke Energy may file a request for rehearing with the Commission within 30 days of the date of this order under 18 C.F.R. § 385.713 (2015).

6. This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention. In addition, any instance of noncompliance not addressed herein or that may occur in the future may also be subject to investigation and appropriate remedies.

7. I appreciate the courtesies extended to the auditors. If you have any questions, please contact Mr. Bryan K. Craig, Director and Chief Accountant, Division of Audits and Accounting at (202) 502-8741.

Sincerely,

Larry R. Parkinson
Director
Office of Enforcement

Enclosure

Federal Energy Regulatory Commission
Office of Enforcement
Division of Audits and Accounting

AUDIT REPORT

Audit of Duke Energy Corporation and its Public Utility Subsidiaries' Compliance with:

- Conditions in Commission Merger Authorization Orders;
- Transmission Formula Rate Tariff Requirements; and
- Accounting and Financial Reporting Regulations.

Docket No. PA14-2-000
March 29, 2016

Table of Contents

I. Executive Summary

A. Overview

The Division of Audits and Accounting (DAA) in the Office of Enforcement has completed an audit of Duke Energy Corporation (Duke Energy) and its public utility subsidiaries'[1] (collectively, Duke Companies) compliance with conditions and requirements established in Commission orders authorizing the merger of Duke Energy and Progress Energy, Inc. (Progress Energy).[2] The audit also evaluated each Duke Energy public utility subsidiary's compliance with: (1) tariff requirements governing its transmission formula rate; (2) accounting regulations in 18 C.F.R. Part 101, Uniform System of Accounts (USofA) Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act; and (3) financial reporting regulations in 18 C.F.R. Part 141, Statements and Reports. The audit covered the period January 1, 2011 through January 31, 2016.

B. Duke Energy Corporation

Duke Energy is a public utility holding company headquartered in Charlotte, NC. It is engaged in energy production, trade, transmission, and distribution through its six public utility subsidiaries that operate in the Southeast and Midwest regions of the United States. In 2014, Duke Energy was the largest electric utility in the nation. The company had 7.3 million retail electric and 500,000 natural gas customers, 32,400 miles of transmission lines, 57,500 MW of generating capacity, and total operating revenue of $23.9 billion. Its service area covered about 95,000 square miles and had an estimated population of 23 million. Regulated operations accounted for over 90 percent of the company's total revenue, and commercial power generation and international operations provided most of the remainder.

[1] The Duke Energy public utility subsidiaries are: Duke Energy Carolinas, LLC (DEC), Duke Energy Progress, LLC (DEP), Duke Energy Florida, LLC (DEF), Duke Energy Indiana, LLC (DEI), Duke Energy Ohio, Inc. (DEO), and Duke Energy Kentucky, Inc. (DEK).

[2] *Duke Energy Corp. and Progress Energy, Inc.*, 136 FERC ¶ 61,245 (2011) (Merger Order), *order on compliance*, 137 FERC ¶ 61,210 (2011), *order on compliance*, 139 FERC ¶ 61,194 (2012) (June 8 Compliance Order), *order on compliance*, 149 FERC ¶ 61,078 (2014) (October 29 Compliance Order).

C. Summary of Compliance Findings

Audit staff identified eight findings of noncompliance. Below is a summary of audit staff's compliance findings. Details are in section IV of this report.

- *Accounting for Merger Transaction Costs* – Duke Companies did not file merger transaction accounting entries with the Commission as required by the Merger Order, and the companies recorded merger transaction costs in operating accounts, contrary to the Commission's long-standing policy that such costs be recorded in nonoperating accounts. By not filing the accounting entries, Duke Companies prevented Commission review of the merger accounting and correction of any entries that were not in accordance with Commission accounting requirements.

- *Merger Transaction Internal Labor Costs* – Duke Companies improperly included approximately $31.4 million of merger transaction internal labor costs in wholesale power and transmission formula rate service cost determinations without first submitting a section 205 filing demonstrating that the costs were offset by quantified savings produced by the merger. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $17.5 million.

- *Merger Transaction Outside Services and Related Costs* – Duke Companies incorrectly included $1.5 million of merger transaction outside services and related costs in wholesale power and transmission formula rate service cost determinations without first submitting a section 205 filing demonstrating the costs were offset by quantified savings produced by the merger. In addition, the companies recorded the merger transaction costs in operating accounts, contrary to the Commission's long-standing policy that such costs be recorded in nonoperating accounts. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $745,000.

- *Use of the Consolidation Method of Accounting* – DEC and DEP accounted for investments in subsidiaries on a consolidated basis in their FERC Form No. 1, Annual Reports (Form No. 1), contrary to the Commission's long-standing accounting policy.

- *Accounting for Sales of Accounts Receivable* – DEC, DEP, and DEF misclassified an estimated $94.7 million of nonoperating expenses and receivables arising from transactions with their subsidiaries during the audit period. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $61 million.

- *Accounting for Lobbying Expenses:* Duke Companies recorded approximately $2.4 million of lobbying expenses in above-the-line operating accounts from 2011 through 2013. As a consequence, Duke Companies improperly included these costs in wholesale power and transmission formula rate service cost determinations.

- *Allocation of Lobbyist Labor Costs:* Duke Companies accounted for the labor costs of internal lobbyists and their support staff in operating accounts that lacked support for inclusion in the accounts. Improper accounting for the costs can lead to inappropriate recovery of the costs through rates charged and billed to customers.

- *Nonutility Expenses in Operating Accounts:* Duke Companies recorded approximately $490,000 of nonutility expenses in operating accounts in 2014. As a result, inappropriate costs were included in wholesale power and transmission formula rate service cost determinations and charged to customers.

D. Summary of Recommendations

Audit staff's recommendations to remedy the findings are summarized below with details in section IV of this report. Audit staff recommends that Duke Companies:

Accounting for Merger Transaction Costs

1. Revise accounting policies and procedures to appropriately account for merger transactions consistent with Commission accounting requirements.

2. Develop written policies and procedures to timely identify proposed accounting transactions that would trigger a notification to the Commission.

3. Develop written policies and procedures to submit accounting questions of doubtful interpretation to the Commission.

4. Provide training to employees on compliance with the merger cost accounting conditions and the revised policies, procedures, and controls for complying with the conditions. Also, develop a training program that supports the provision of periodic training in this area.

Merger Transaction Internal Labor Costs

5. Revise all policies and procedures for tracking, accounting, and excluding merger transaction costs from wholesale power and transmission formula rates, including amounts previously charged to utility plant, accumulated deferred income taxes, construction work in progress with the associated capitalized cost of funds used during construction (AFUDC), and maintenance and operating expense accounts, and future charges to such accounts for any transaction to which a FERC hold harmless obligation applies. The revised procedures should hold customers harmless from all merger transaction costs consistent with requirements of the Merger Order. Among other things, the revised policies and procedures should include an annual review of each subsidiary's merger transaction cost adjustments as well as periodic evaluations within the year, as needed and appropriate.

6. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the inclusion of merger transaction internal labor and related costs in wholesale power and transmission formula rates during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

7. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

8. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Merger Transaction Outside Services and Related Costs

9. Revise accounting policies and procedures to appropriately account for merger transaction costs consistent with Commission accounting requirements.

10. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the inclusion of merger transaction outside services and related costs in wholesale power and transmission formula rate charges during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

11. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

12. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Use of the Consolidation Method of Accounting

13. Review and, as needed, revise accounting policies, practices, and procedures to ensure that investments in subsidiaries are accounted for consistent with the Commission's equity method accounting requirements.

14. Evaluate the accounting applied to Duke Companies' existing subsidiaries and notify DAA of any areas of noncompliance with Commission accounting requirements.

15. Revise documented policies, procedures and processes to ensure timely notice is provided to relevant regulators regarding instances of noncompliance with regulations, rules, and orders.

16. Provide training to staff on procedures, practices, and available tools to transparently or anonymously report instances of noncompliance to senior management, the Board of Directors, and relevant regulators.

Accounting for Sales of Accounts Receivable

17. Revise procedures to ensure that all costs and account balances associated with the sale of accounts receivable are accounted for in accordance with Commission accounting regulations. Among other things, the corrected accounting should ensure that all losses associated with receivable sales are recorded in Account 426.5.

18. Provide the revised procedures to DAA for review within 60 days of receiving the final audit report.

19. Recalculate charges to wholesale power and transmission customers of DEC, DEP, and DEF and submit the recalculations in a refund analysis to DAA for review within 60 days of receiving the final audit report. The refund analysis should explain and detail the: (1) return of collection service billings charged in 2014; (2) return of losses on the sales included in rates; (3) determinative components of the refund; (4) refund method; (5) period(s) refunds will be

made; and (6) interest calculated in accordance with section 35.19 of Commission regulations.

20. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

21. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Accounting for Lobbying Expenses

22. Establish and implement written procedures governing the methods used to account for, track, report, and review lobbying costs incurred.

23. Provide training on Commission accounting requirements and the impact of accounting on cost-of-service rate determinations to employees involved in lobbying and lobbying-related work, and those with oversight responsibility for lobbying cost allocations. Also, develop a training program that supports the provision of periodic training in this area.

24. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the improper inclusion of lobbying cost in operating accounts during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

25. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

26. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Allocation of Lobbyist Labor Costs

27. Revise written policies and procedures to create a process to document and verify appropriate allocation of lobbying and lobbying-related costs, and maintain auditable support for the cost included in rate determinations.

28. Retain an independent third-party entity to conduct a representative labor time study to determine an appropriate allocation of internal lobbyist labor, support

staff, and associated costs that should be accounted for in operating and nonoperating accounts based on time spent by employees engaged in the activities. Provide the study results to audit staff within 180 days of the date of the final audit report.

29. Include the results of the labor time study in the determination of lobbying-related labor cost allocations as of January 1, 2016.

30. Implement policies and procedures to perform a labor time study biennially using an independent third-party or internal company resources that are able to attest to the results of the study. Revise the lobbying-related labor cost allocations based on the results of the study.

Nonutility Expenses in Operating Accounts

31. Develop and implement written policies, procedures, and controls to ensure proper accounting and reporting of nonutility expenses.

32. Provide training for employees involved in the invoicing process on Commission accounting requirements and the impact of the accounting on cost-of-service rate determinations.

33. Within 60 days of receiving the final audit report, provide documentation supporting the analysis performed of invoiced expenses recorded to administrative and general (A&G) accounts in 2014 that identified misclassified nonutility expenses included in A&G accounts. Develop an estimate of misclassified nonutility expenses accounted for in operating accounts in 2011 through 2013 and 2015.

34. Implement policies and procedures to provide periodic audits or reviews of A&G transactions by external or internal auditors.

35. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the improper inclusion of identified and estimated nonutility expenses in charges to wholesale power and transmission customers during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made. Include the results of the invoice analysis in the refund analysis.

36. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

37. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

E. Implementation of Recommendations

Audit staff further recommends that Duke Companies submit the following for audit staff's review:

- A plan for implementing the audit recommendations within 30 days after the final audit report is issued;

- Quarterly reports describing progress in completing each corrective action recommended in the final audit report. Quarterly nonpublic submissions should be made no later than 30 days after the end of each calendar quarter, beginning with the first quarter after the final audit report is issued, and continuing until all recommended corrective actions are completed; and

- Copies of any written policies and procedures developed in response to recommendations in the audit report. These documents should be submitted in the first quarterly filing after Duke Companies complete such policies and procedures.

II. Background

A. Merger of Duke Energy and Progress Energy

On January 10, 2011, Duke Energy and Progress Energy announced their intention to merge in a stock-for-stock transaction under which Progress Energy would become a wholly owned subsidiary of Duke Energy, and the shareholders of Progress Energy would become shareholders of Duke Energy. At the time, the transaction was valued at over $31 billion. The merger was poised to create the largest U.S. electric utility in history with over seven million electric customers and operations in six states.

Following the announcement, on April 4, 2011, Duke Energy, Progress Energy, and their public utility subsidiaries (collectively, Duke Companies) filed an application with the Commission seeking authorization for the merger transaction under section 203 of the Federal Power Act (FPA)[3] and Part 33 of Commission regulations.[4] To receive authorization for the transaction, the companies committed to hold transmission and wholesale requirements customers harmless from the costs of the transaction for five years. The companies also contended that the transaction would not adversely affect competition, and thus there were no market power concerns associated with the transaction.

On September 30, 2011, the Commission found that the transaction, as proposed in the application, would result in significant screen failures in the horizontal market power analysis and have an adverse effect on competition.[5] As such, the Commission authorized the transaction subject to conditions. Among other things, the transaction was conditioned on Duke Companies holding transmission and wholesale requirements customers harmless from the costs of the transaction, and submitting proposed market power mitigation measures that the Commission approves. The Commission advised Duke Companies that sufficient mitigation measures could include membership in a regional transmission organization, implementing an independent coordinator of transmission arrangement, actual or virtual divestiture of generation, and/or transmission upgrades to provide greater market access to third-party energy suppliers.

Further, the Commission stated that the hold harmless commitment included all merger transaction costs, not only costs related to consummating the transaction.[6] To recover merger transaction costs through wholesale requirement or transmission rates, the

[3] 16 U.S.C. § 824b (2012).

[4] 18 C.F.R. Part 33.

[5] Merger Order, 136 FERC ¶ 61,245 at PP 145-146.

[6] *Id.* P 169.

companies were required to submit a filing to the Commission that identified merger costs to be recovered and demonstrated that the costs were exceeded by savings produced by the transaction.[7] Duke Companies did not submit a filing to recover merger transaction costs during the audit period. However, as discussed in detail below, the companies recovered merger transaction costs through rates charged.

Consistent with the Commission's merger authorization condition that required Duke Companies to submit proposed market power mitigation measures for approval, the companies submitted an initial compliance filing on October 17, 2011, which proposed to mitigate market power through virtual divestiture of generation. The filing proposed a must-offer obligation under which Duke Companies would sell specified quantities of energy at cost-based rates to entities directly or indirectly serving load in the DEC and DEP Balancing Authority Areas (BAAs). The Commission rejected the filing on the grounds that the market power mitigation proposals did not remedy the market power concerns identified in the Merger Order.[8]

A revised compliance filing was submitted by Duke Companies on March 26, 2012 that proposed permanent and interim market power mitigation measures. To permanently mitigate market power, Duke Companies proposed to build seven transmission expansion projects (TEPs), expedite completion of an eighth project that was already planned, and set aside 25 MW of transfer capacity on their transmission systems for use by third parties (Stub Mitigation). During construction of the TEPs, as an interim measure to protect against potential market power concerns, Duke Companies proposed to enter into power sale agreements with three unaffiliated firms – Cargill Power Marketing, EDF Trading, and Morgan Stanley Capital Markets – to which the companies would sell power during all periods requiring mitigation. The companies also proposed to hire an independent monitor, Potomac Economics Ltd. (Potomac Economics), to verify compliance with the provisions of the power sale agreements.

The Commission accepted the revised compliance filing on June 8, 2012, subject to certain revisions and conditions, which included, among other things, requirements to hold customers harmless from the cost of the mitigation actions and to expand Potomac Economics' duties to verify that the TEPs were completed within the prescribed scope and timeline.[9] The merger was consummated on July 2, 2012.

On December 6, 2013, after the merger was consummated, Duke Companies submitted a motion to supplement its March 26, 2012 compliance filing, due to newly identified information that affected calculation of the impact of the market power

[7] *Id.* P 170.

[8] *Duke Energy Corp.*, 137 FERC ¶ 61,210 (2011).

[9] *See* June 8 Compliance Order, 139 FERC ¶ 61,194 at P 113.

mitigation measures. In the filing, Duke Companies offered to increase the Stub Mitigation by 104 MW (thereby raising the total amount of the transmission set-aside to 129 MW), repair out of service phase-shifting transformers at DEC's Rockingham substation and return them to service, and operate the transformers so as to create additional import capability on the transmission system. The Commission granted the motion and accepted the supplementary compliance filing subject to conditions on October 29, 2014.[10] Moreover, the Commission reiterated its requirement that transmission and wholesale requirements customers be held harmless from costs associated with repairing the transformers and returning them to service.

B. Duke Energy's Public Utility Subsidiaries

During the audit period, the Duke Companies provided electricity service in portions of North Carolina, South Carolina, Florida, Indiana, Ohio, and Kentucky. DEO and DEK also provided natural gas service in portions of Ohio and Kentucky. The following describes the services provided by each company, its open access transmission tariff (OATT), membership in an independent system operator (ISO) or regional transmission organization (RTO), transmission formula rate, and market-based rate authority.

<u>Duke Energy Carolinas, LLC</u>

DEC is a vertically integrated public utility that generates, transmits, distributes, and sells electricity to 2.5 million customers in a 24,000 square mile service area in North and South Carolina. DEC owns 8,302 miles of transmission lines and 19,600 MW of generating capacity.

DEC provided open access transmission service under a Commission-approved OATT at cost-based stated rates from 1995 through 2011.[11] In 2011, DEC began recovery of its transmission service cost pursuant to a formula rate that became effective June 1, 2011.[12] However, on March 26, 2012, in connection with the merger transaction, DEC, DEP, and DEF filed for approval of a Joint OATT under section 205 of the FPA and Part 35 of the Commission's regulations. The filing was conditionally accepted by the Commission on June 8, 2012.[13]

[10] October 29 Compliance Order, 149 FERC ¶ 61,078 (2014).

[11] *Duke Power Co.*, 73 FERC ¶ 61,309 (1995) (Duke Power Order).

[12] *Duke Energy Carolinas, LLC*, 137 FERC ¶ 61,058 (2011).

[13] *Duke Energy Corp.*, 139 FERC ¶ 61,193 (2012).

The Joint OATT provided for transmission service at non pancaked rates for transactions involving the combined transmission systems of the companies. DEC's transmission formula rate is incorporated as Schedule 10-B of the Joint OATT. DEC's formula rate implementation protocols are incorporated as Exhibit A of the Joint OATT, and the formula rate template and formula rate principles are contained in Exhibit B. DEC does not belong to an ISO or RTO.

DEC has wholesale power sale agreements with cost-based rates determined under a formula, and it has Commission authorization to make wholesale sales at market-based rates outside its and DEP's BAAs and Peninsular Florida.

Duke Energy Progress, LLC

DEP is a vertically integrated public utility that generates, transmits, distributes, and sells electricity to 1.5 million customers in a 32,000 square mile service area in North and South Carolina. DEP owns 6,981 miles of transmission lines and 12,200 MW of generating capacity.

DEP provided open access transmission service under a Commission-approved OATT at cost-based stated rates from 1996 through 2008. In 2008, DEP began recovery of its transmission service cost pursuant to a formula rate that became effective July 1, 2008.[14] Since the merger, DEP has provided transmission service under the Joint OATT with DEC and DEF. DEP's transmission formula rate is incorporated in Attachment H of the Joint OATT. The formula rate template is incorporated as Attachment H-1 of the Joint OATT, and the implementation protocols as Attachment H-2. DEP does not belong to an ISO or RTO.

DEP has wholesale power sale agreements with cost-based rates determined under a formula, and it has Commission authorization to sell energy and capacity at market-based rates outside its and DEC's BAAs and Peninsular Florida.

Duke Energy Florida, LLC

DEF is a vertically integrated public utility that generates, transmits, and delivers electricity to 1.7 million customers in a 13,000 square mile area in central and southern Florida. DEF owns 4,424 miles of transmission lines and 1,200 MW of generating capacity.

[14] *Carolina Power and Light Co.*, Docket No. ER08-889-000 (June 27, 2008) (delegated letter order).

DEF provided open access transmission service under a Commission-approved OATT at cost-based stated rates from 1996 through 2008. In 2008, DEF began recovery of its transmission service cost pursuant to a formula rate that became effective January 1, 2008.[15] Since the merger, DEF has provided transmission service under the Joint OATT with DEC and DEP. DEF's transmission formula rate is incorporated as Schedule 10-A of the Joint OATT. The implementation protocols are designated as Schedule 10-A.1 of the Joint OATT, and the formula rate template as Schedule 10-A.2. DEF does not belong to an ISO or RTO. Additionally, DEF has Commission authorization to sell energy and capacity outside the DEC and DEP BAAs and Peninsular Florida.

Duke Energy Indiana, LLC

DEI is a vertically integrated utility that generates, transmits, distributes, and sells electricity to 810,000 customers within a 23,000 square mile service territory in central, north central, and southern Indiana. DEI owns 7,500 MW of generating capacity and 4,815 miles of transmission lines.

DEI became a member of the Midcontinent Independent System Operator, Inc., (MISO) in 1997 and recovered its cost of transmission service pursuant to cost-based stated rates. In 1998, DEI began to recover its transmission service cost pursuant to a transmission formula rate. DEI's transmission formula rate template is included at Attachment O of the MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff. Additionally, DEI has Commission authorization to sell power at market-based rates outside the DEC and DEP BAAs and Peninsular Florida.

Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc.

DEO is the direct parent of DEK. The companies are combination electric and gas utilities that transmit, distribute, and sell electricity at retail and wholesale, and distribute and sell natural gas at retail in southwestern Ohio and northern Kentucky, respectively. DEO owns 1,879 miles of transmission lines. The company divested its generating assets pursuant to Ohio's electric restructuring program and received Commission authorization for the divestiture.[16] DEK owns 102 miles of transmission lines and about 1,200 MW of generating capacity.

[15] *Florida Power Corp.*, Docket No. ER08-105-000 (Dec. 17, 2007) (delegated letter order).

[16] *See Dynegy Resource I, LLC,* 150 FERC ¶ 61,232 (2015).

DEO and DEK were members of MISO until January 1, 2012, when they withdrew their membership and joined PJM Interconnection, L.L.C. (PJM).[17] The companies recover transmission service costs pursuant to a transmission formula rate under the PJM OATT. DEO and DEK's transmission formula rate is incorporated as Attachment H-22 of the PJM OATT. The formula rate template is incorporated as Attachment H-22A of the OATT, and the implementation protocols as Attachment H-22B. Additionally, DEO and DEK have Commission authorization to sell power at market-based rates outside the DEC and DEP BAAs and Peninsular Florida.

[17] The Commission conditionally authorized the move in an order issued October 21, 2010. *See Duke Energy Ohio, Inc.*, 133 FERC ¶ 61,058 (2010).

III. Introduction

A. Objectives

The audit evaluated Duke Companies' compliance with conditions established in the Merger Order and associated orders on compliance, requirements of each company's transmission formula rate tariff, and accounting and financial reporting regulations. The audit covered the period January 1, 2011 through January 31, 2016.

B. Scope and Methodology

Audit staff performed specific actions to facilitate the audit and evaluate compliance with the audit objectives. Audit staff also reviewed the effectiveness of Duke Companies' compliance program in relation to the audit objectives and other key factors. To address overall audit objectives, audit staff:

- Conducted an extensive review of publicly available materials to understand the companies' corporate structure and organization, operations, financial accounting and reporting activities, and other key regulatory and business activities, both before and after the merger. Examples of materials and documentation reviewed include Commission rules, regulations, and orders, Form No. 1 reports, FERC Form No. 65, Notification of Holding Company Status, formula rate filings, the Commission's enforcement hotline calls and company self-reports, company-related web sites, and relevant media sources. This also included a review of filings with other government agencies, such as the Securities and Exchange Commission Forms 10-K and 10-Q, Annual and Quarterly Reports;

- Evaluated the companies' internal policies and procedures relevant to the audit objectives;

- Conferred with other Commission staff on various compliance issues to ensure audit findings were consistent with Commission precedent and policy. For example, audit staff communicated with staff from other divisions within the Office of Enforcement and staff from the Office of Energy Market Regulation and Office of General Counsel;

- Conducted two site visits to Duke Energy's headquarters in Charlotte, NC. The visits enabled audit staff to further understand the company's corporate structure, functions, operations, accounting systems and practices, transmission planning and cost-estimating procedures, formula rate, internal audit function, and regulatory and corporate compliance programs. While on site, audit staff interviewed employees and managers responsible for performing tasks within the audit scope, sampled and tested documents to verify compliance with Commission orders related to merger conditions, accounting regulations, financial reporting, transmission formula rates, and related matters. Additionally, audit staff also interviewed compliance program staff, senior officials, internal auditors, and employees who fulfill day-to-day compliance activities for the purposes of carrying out regulatory oversight responsibilities;

- Conducted teleconferences to discuss audit objectives and scope, data requests and responses, technical and administrative matters, compliance concerns, and held a closing conference to discuss the completion of audit fieldwork and results; and

- Issued data requests to gather information not available through public means. This information related to internal policies and procedures, business practices, reporting activities, corporate compliance, internal and external audit reports, merger order conditions and compliance, transaction and operational data, and other pertinent information. Audit staff used this information as underlying support for testing and evaluating compliance with Commission requirements relevant to the audit scope and objectives.

Further, audit staff performed these specific actions to facilitate the testing and evaluation of compliance with relevant requirements for the audit scope areas. A summary of these actions follows.

Compliance with Merger Conditions

To evaluate compliance with the hold harmless and market power mitigation conditions established in the Merger Order and associated compliance orders, audit staff performed audit fieldwork applicable to the merger. Audit staff performed the following steps:

- Reviewed the merger application, supporting testimony and exhibits to understand the context, terms, and conditions of the merger proposal and commitment to hold transmission and wholesale requirements customers harmless from costs of the transaction. Reviewed intervenor comments and protests, and responses to the comments and protests, and also reviewed Duke Companies' compliance filings, intervenor responses, and answers to the responses;

- Evaluated Duke Companies' responses to Commission staff's delegated data requests that sought information regarding the merger application and compliance filings;

- Examined the companies' policies and procedures associated with tracking and accounting for merger transaction costs incurred prior to and following consummation of the merger;

- Performed a comparative analysis of Duke Energy and Progress Energy's accounting for costs of the merger prior to and after its consummation and the companies' policies associated with the accounting;

- Reviewed actions taken by the companies to maintain compliance with merger conditions;

- Analyzed the companies' procedures to ensure compliance with hold harmless conditions and to account for merger transaction costs;

- Conducted sample-based tests of internal costs and external contracted costs incurred by the companies to assess the accounting for the costs and the impact on wholesale rate determinations;

- Obtained information on staff involved in merger activities, including employee names, positions, salaries, work performed on merger activities, and time spent on merger-related activities;

- Reviewed documentation and supporting evidence of merger transaction costs and performed substantive tests of sample data;

- Inspected reports submitted by Potomac Economics regarding the Rockingham phase shifters and other relevant Commission filings;

- Evaluated expenses incurred to repair the Rockingham phase shifters to assess the accounting for the costs and impacts on wholesale rate determinations; and

- Examined costs incurred to operate the TEPs – including the Rockingham phase shifters – from 2012 through Q1 2015 to evaluate the accounting used to record cost of activity and the resulting impact on wholesale rate determinations.

Furthermore, audit staff conducted the following additional steps to evaluate Duke Companies' compliance with the market power mitigation conditions:

- Reviewed the companies' contract with Potomac Economics to ascertain whether the independent monitor had sufficient oversight authority and timely access to data needed to monitor compliance with interim and permanent market power mitigation measures;

- Examined the quarterly independent monitoring reports prepared by Potomac Economics detailing Duke Companies' compliance with interim and permanent market power mitigation conditions;

- Interviewed personnel responsible for reporting the status of TEP construction to Potomac Economics, and reviewed a sample of email communications between the parties;

- Interviewed personnel involved with TEP planning, engineering and design, purchasing and contracting, construction, and project management to verify that the projects were completed as required and to ascertain the amount of labor time employees spent on the projects;

- Identified scope changes made to the TEP plans and assessed the impact of changes on project cost and expected performance of the transmission system;

- Examined a sample of information that Potomac Economics relied on to conclude that the TEPs were placed into service. This information included data from the supervisory control and data acquisition (SCADA) system on the operation of the constructed projects and associated work orders;

- Analyzed photographs of TEP equipment nameplates for asset identification and facility ratings for a sample of major equipment installed, and compared nameplate information to construction work orders and internal company correspondence related to the TEPs;

- Reviewed Duke Companies' written procedures that governed implementation of the power sales agreements required by the Commission's interim market power mitigation measures. Also, interviewed personnel responsible for developing and implementing the agreements, and reviewed Potomac Economics' seasonal and event-based reports to the Commission on the company's performance under the agreements;

- Analyzed a sample of transaction data on power sales DEC and DEP made under the power sale agreements and reviewed transmission schedules on the Open Access Same-time Information System (OASIS) to verify the energy was scheduled and delivered;

- Interviewed power marketing personnel to gain information on operating procedures and processes used to comply with the requirement to set aside firm transmission capacity on the DEC-DEP interface (i.e., Stub Mitigation requirement);

- Reviewed Potomac Economics' reports on the Stub Mitigation requirement and analyzed a sample of data from OASIS regarding transmission offerings and requests for firm transmission service on the DEC-DEP interface;

- Evaluated the DEC-DEP Joint Dispatch Agreement (JDA) and associated operating procedures to understand the methods used to forecast load and determine the mix of generating resources needed to meet load demand on daily and weekly bases;

- Interviewed power marketing employees responsible for scheduling power between the DEC and DEP BAAs, and examined a sample of transactions that involved dispatch of generating resources, reserving and scheduling transmission service consistent with the JDA, and operating the respective BAAs separately. Also, tested a sample of OASIS transmission reservations and schedules to evaluate DEC and DEP's reservations of point-to-point and network transmission service to transmit energy and capacity between the two BAAs; and

- Identified instances in which DEC and DEP used network transmission to deliver power to their respective BAAs, and evaluated these transactions to assess compliance with conditions that restricted certain transactions in the BAAs.

Transmission Formula Rates

To evaluate compliance with the requirements of each company's transmission formula rate tariff, audit staff:

- Reviewed the initial applications filed seeking approval of each company's transmission formula rate tariff, intervenor responses to the filings, any associated settlement agreements with wholesale customers and interested parties, and the Commission orders that approved the transmission formula rate tariffs;

- Examined the transmission formula rate templates and all appendices and attachments used to compute key inputs to the annual transmission revenue requirement and associated formula rate protocols;

- Interviewed employees responsible for populating each public utility's transmission formula rate template, verifying data and calculations, and reviewing and obtaining management approval of the calculated transmission service rates;

- Assessed the adequacy of management oversight and verification controls that support performance of key activities;

- Evaluated data responses and conducted conference calls to understand the accounting for major items affecting the formula rate, including miscellaneous deferred debits, income taxes, and others. Also, reviewed these items to determine compliance with relevant accounting regulations, instructions, and definitions;

- Reviewed annual informational and true-up filings submitted after the initial rate years and during the audit period. Reconciled the Form No. 1 data with formula rate calculations and evaluated discrepancies. Conducted a detailed analysis of supporting worksheets and attachments to evaluate the calculation of transmission formula rate inputs;

- Analyzed footnotes included in each company's Form No. 1 to determine whether information disclosed provided for a reconciliation of publicly available data to balances used to calculate the transmission service rates;

- Performed procedures to verify that transmission formula rate inputs were supported by data reported in each company's Form No. 1;

- Evaluated the companies' accounting for merger transaction costs by assessing documented policies, operating processes, and procedures, and tested a sample of invoices and work orders that included merger activities and associated costs. Analyzed the accounting for the costs and the impact on transmission rate determinations;

- Checked plant balances used to calculate transmission revenue requirements, sampled work order charges included in construction work in progress and plant balances, and performed tests on amortized pre-commercial costs;

- Tested a sample of depreciation accruals on utility plant to assess the depreciation rates applied to the plant; and

- Performed substantive tests on a sample of invoices and work orders that included nonutility expenses, and evaluated the impact of identified misclassified items on transmission rate determinations.

Accounting and Reporting

To evaluate compliance with the Commission's accounting and reporting regulations in the USofA under 18 C.F.R. Parts 101 and 141, audit staff performed the following with respect to the merger:

- Conducted interviews and teleconferences and met with company staff to discuss accounting policies, procedures, and practices. These interviews included discussions with employees involved in the operation of each public utility subsidiary's financial accounting systems to assess the adequacy of accounting and reporting oversight controls related to the merger, and employees in leadership positions responsible for day-to-day oversight of merger activities to understand how merger-related labor was reported on timesheets;

- Examined procedures for preparing, reviewing, and obtaining management approval of the Form No. 1 reports. Reviewed disclosures in the reports to understand major accounting policies;

- Reviewed and evaluated the processes, procedures, and controls the companies used before and after merger consummation to track and account for merger transaction costs;

- Evaluated the Form No. 1 and Securities and Exchange Commission 10-K notes and disclosures related to tracking, accounting, and reporting merger transaction costs;

- Analyzed the companies' accounting entries that recorded merger-related labor, goodwill, TEP project costs and impairments, and the income tax effects of the transaction;

- Reviewed third-party lobbying expenditure disclosures, press articles, meeting schedules, and agendas of internal lobbyists. Interviewed internal lobbyists and support staff to understand the nature and extent of the companies' lobbying activities;

- Tested a sample of work orders, invoices, and associated accounting detail records that support internal lobbyists' labor costs incurred;
- Assessed the impact on wholesale rates of merger and other costs incurred by the companies that were reported in the Form No. 1;
- Tested a sample of FERC accounts for compliance with the Merger Order as well as the companies' internal policies and procedures; and
- Evaluated certain income statement and balance sheet accounts and balances reported in the companies' Form No. 1 reports for 2012 through 2014.

IV. Findings and Recommendations

1. Accounting for Merger Transaction Costs

Duke Companies did not file merger transaction accounting entries with the Commission as required by the Merger Order, and the companies recorded merger transaction costs in operating accounts, contrary to the Commission's long-standing policy that such costs be recorded in nonoperating accounts. By not filing the accounting entries, Duke Companies prevented Commission review of the merger accounting and correction of any entries that were not in accordance with Commission accounting requirements.

Pertinent Guidance

The Commission's September 30, 2011 order conditionally authorizing the Proposed Transaction established the following requirement concerning the submission of accounting entries related to the merger:

> To the extent any applicant that is subject to the Commission's Uniform System of Accounts records any aspect of the Proposed Transaction in its accounts, it is directed to file its accounting entries with the Commission within six months of the consummation of the Proposed Transaction. Further, if the accounting entities are recorded six months after the consummation of the Proposed Transaction, the applicant must file those accounting entries with the Commission within 60 days from the date they were recorded. The accounting submission must provide all accounting entries related to the Proposed Transaction, including narrative explanations describing the basis, and the rate impact, of such entries.[18]

The Commission's long-standing precedent stipulates that transaction costs incurred by public utilities associated with a merger are nonoperating in nature and should be charged to Account 426.5, Other Deductions, to the extent the costs are not retained by the parent holding company. For example, in *Allegheny Energy, Inc.*, the Commission stated in part:

> The Commission has previously determined that merger transaction costs are considered non-operating in nature and should be recorded in

[18] Merger Order, 136 FERC ¶ 61,245 at P 190.

Account 426.5, Other Deductions.[19]

18 C.F.R. Part 101, Account 426.5, Other Deductions, states:

> This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

18 C.F.R. Part 101, General Instruction No. 5, Submittal of Questions, states:

> To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Commission for consideration and decision.

Background

In the Merger Order, the Commission authorized Duke Companies to merge, subject to conditions. With respect to accounting, the Merger Order stated that if any Duke Energy subsidiary subject to the USofA recorded any aspect of the merger on its books, the subsidiary must file the accounting entries with the Commission within 60 days of consummation of the transaction. The Commission noted that such accounting entries include entries related to transaction costs, merger premiums, acquisition adjustments, goodwill, or any cost related to the merger.[20]

Moreover, pursuant to long-standing Commission precedent, merger transaction costs are considered nonoperating in nature and are required to be recorded to Account 426.5, Other Deductions. The text of Account 426.5 states that the account shall include expenses that are nonoperating in nature. Audit staff evaluated Duke Companies' accounting for the merger and found that the companies recorded merger transaction costs on their books. Further, contrary to the requirements of the Merger Order and Commission accounting rules, Duke Companies neither filed accounting entries with the Commission that reflected the recording of the transaction costs on the companies' books nor accounted for nonoperating merger transaction costs in Account 426.5.

[19] *See Allegheny Energy, Inc.*, 133 FERC ¶ 61,222, at P 73 (2010). *See also Midwest Power Systems, Inc. and Iowa-Illinois Gas and Elec. Co.*, 71 FERC ¶ 61,386, at 62,509 (1995); *MidAmerican Energy Co. and MidAmerican Energy Holdings Co.*, 85 FERC ¶ 61,354, at 62,370 (1998); and *Wis. Elec. Power Co.,* 74 FERC ¶ 61,069, at 61,192 (1996).

[20] Merger Order, 136 FERC ¶ 61,245 at n. 414.

Duke Companies collectively incurred over $1 billion in merger costs and recorded the costs on their Form No. 1 reports from 2011 through October 30, 2015. The costs were accounted for in numerous operating plant and expense accounts, including: A&G expense; payroll tax; customer account expense; transmission, distribution, and production operating and maintenance expense; and other accounts.

Duke Energy explained that it interpreted the Merger Order to require submittal of accounting entries only if a subsidiary used the purchase method of accounting and increased the book value of assets for goodwill acquired in the transaction. However, the Merger Order did not require the companies to file accounting entries only if they used the purchase method of accounting or increased the book value of assets for goodwill. To the contrary, the Merger Order stated that if *any entity* subject to the USofA recorded *any aspect* of the merger on its books, it must file its accounting entries with the Commission. The Merger Order further clarified that such accounting entries included entries related to transaction costs, merger premiums, acquisition adjustments, goodwill, or any cost related to the merger.

All of Duke Energy's public utility subsidiaries were subject to the Commission's USofA, therefore the companies should have filed accounting entries. By not filing the accounting entries, Duke Companies prevented Commission review of the merger accounting and correction of any entries not in accordance with Commission accounting requirements.

Furthermore, Duke Companies should have recorded merger transaction costs incurred to effectuate the merger in Account 426.5 rather than in operating accounts consistent with the text of Account 426.5 and Commission precedent.[21] Audit staff found that prior to March 2012, both Duke Energy and Progress Energy recorded merger transaction costs in operating accounts. However, in March 2012, Progress Energy transferred its merger transaction costs to Account 426.5, due to its interpretation of a Commission merger order that required such accounting. Duke Energy did not implement a similar reclassification of its merger transaction costs. Duke Energy explained that it believed costs associated with the merger were appropriately recorded in operating accounts.

[21] Post-merger integration cost (i.e., cost incurred following consummation of a merger, in which the assets, personnel, and business activities of the entities participating in the merger are combined) are recordable to operating accounts; however, the cost would be subject to the Commission's hold harmless commitments and prohibited from recovery in jurisdictional rates.

In April 2012, Duke Energy's external auditors questioned its accounting of the merger transaction costs. The external auditors informed Duke Energy of the Commission's merger accounting policy, which the auditors interpreted as requiring merger transaction costs to be recorded below-the-line in Account 426.5. Duke Energy disagreed with the auditors' interpretation. Rather than adjusting its accounting, Duke Energy and its external auditors agreed that Duke Energy's management representation letter would be revised. The letter is a signed attestation by Duke Energy management of the accuracy of its financial statements. The letter was revised to include a statement that Duke Energy was aware of Commission orders that indicated merger transaction costs should be recorded in Account 426.5, but Duke Energy nonetheless believed that its classification of merger transaction costs in operating accounts was appropriate.

The Duke Companies were required to file the accounting entries with the Commission as directed in the Merger Order. The companies' improper accounting for merger transaction costs contributed to the inappropriate recovery of merger-related internal labor and outside service costs through charges to Commission-jurisdictional customers. To the extent Duke Companies was uncertain about the appropriate accounting for the transaction, the companies should have submitted accounting questions of doubtful interpretation to the Commission for consideration and decision. The Commission expects Duke Companies, and all entities that have a reporting requirement for transactions under FPA section 203, to fully comply with the orders approving such transactions. Duke Companies' lack of compliance with the Merger Order reporting requirement is a very serious matter.

Recommendations

We recommend Duke Companies:

1. Revise accounting policies and procedures to appropriately account for merger transactions consistent with Commission accounting requirements.

2. Develop written policies and procedures to timely identify proposed accounting transactions that would trigger a notification to the Commission.

3. Develop written policies and procedures to submit accounting questions of doubtful interpretation to the Commission.

4. Provide training to employees on compliance with the merger cost accounting conditions and the revised policies, procedures, and controls for complying with the conditions. Also, develop a training program that supports the provision of periodic training in this area.

2. Merger Transaction Internal Labor Costs

Duke Companies improperly included approximately $31.4 million of merger transaction internal labor costs in wholesale power and transmission formula rate service cost determinations without first submitting a section 205 filing demonstrating that the costs were offset by quantified savings produced by the merger. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $17.5 million.

Pertinent Guidance

The Commission's Merger Order states in part:

> We accept Applicants' commitment to hold transmission and wholesale requirements customers harmless for five years from costs related to the Proposed Transaction. We interpret Applicants' hold harmless commitment to include all transaction-related costs, not only costs related to consummating the transaction.
>
> If Applicants seek to recover transaction-related costs through their wholesale power or transmission rates within the next five years, they must submit a compliance filing that details how they are satisfying the hold harmless requirement. If Applicants seek to recover transaction-related costs in an existing formula rate that allows for such recovery within the next five years, then that compliance filing must be filed in the section 205 docket in which the formula rate was approved by the Commission, as well as in the instant section 203 docket. In such filings, Applicants must: (1) specifically identify the transaction-related costs they are seeking to recover; and (2) demonstrate that those costs are exceeded by quantified savings resulting from the transaction, in addition to any requirements associated with filings made under section 205.[22]

The Commission's June 8, 2012 order accepting Duke Companies' revised compliance filing states in part:

> [T]he Commission will require Applicants to hold transmission and wholesale requirements customers harmless from the costs of the Transmission Expansion Projects in accordance with the hold harmless commitment, as set forth in the Merger Order.[23]

[22] Merger Order, 136 FERC ¶ 61,245 at PP 169-170.

[23] June 8 Compliance Order, 139 FERC ¶ 61,194 at P 91.

The Commission's October 29, 2014 order denying rehearing and granting a motion to supplement compliance filing states in part:

> [T]he Commission requires Applicants to hold transmission and wholesale requirements customers harmless for five years from costs related to the Phase Shifters.[24]

Background

On April 4, 2011, Duke Energy, Progress Energy, and their public utility subsidiaries (collectively, Duke Companies) filed an application seeking Commission authorization of a proposal to merge under section 203 of the FPA and Part 33 of Commission regulations. In the application, Duke Companies committed to exclude costs related to the merger from transmission and wholesale requirements customers' rates, except to the extent the companies demonstrated in a section 205 rate filing that merger-related savings were equal to or in excess of merger costs included in the rate filing. On September 30, 2011, the Commission issued an order authorizing Duke Companies to merge subject to conditions. Among other things, the Commission conditioned authorization on Duke Companies maintaining its commitment to hold transmission and wholesale requirements customers harmless from costs related to the merger. Pursuant to this condition, "[a]ll transaction related costs, not only costs related to consummating the transaction," were required to be excluded from rates charged.[25] To determine if Duke Companies complied with the hold harmless requirement, audit staff examined the companies' procedures for tracking and accounting for merger costs, and excluding the costs from rates.

To track costs incurred due to the merger, the companies established special accounting processes and procedures. Audit staff found that Duke Energy and Progress Energy did not account for merger costs using the same accounting treatment prior to consummation of the merger. Prior to consummation of the merger, Duke Energy accounted for merger transaction costs in above-the-line operating accounts, whereas Progress Energy accounted for the costs below-the-line in Account 426.5, Other Deductions.[26] However, after consummation of the merger, Progress Energy adopted Duke Energy's internal accounting policy for merger transaction costs and thereafter began accounting for incurred merger transaction costs in operating accounts.

[24] October 29 Compliance Order, 149 FERC ¶ 61,078 at P 81.

[25] Merger Order, 136 FERC ¶ 61,245 at P 169.

[26] Account 426.5, Other Deductions, 18 C.F.R. Part 101 (2015), provides for the recording of expenses that are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

Duke Energy devised and distributed instructions to its public utility subsidiaries regarding accounting for merger costs, which it characterized as Costs to Achieve (CTA) the merger. Duke Energy defined CTA as "costs that are incremental and nonrecurring that would otherwise not have been incurred but for the merger or integration planning efforts."[27] The CTA instructions identified the accounting codes to be used to account for and track merger costs. The codes included the business and operating unit that incurred the cost, process, task, project ID, and other details associated with activities that involved the incurrence of merger costs. The CTA instructions were communicated to managers and staff assigned to work on the merger, and employees were trained on use of the accounting codes. Duke Energy's shared services accounting group retrieved merger cost data from the general ledgers of the public utility subsidiaries, reviewed charges for reasonableness, and compared actual and budgeted costs as part of its monthly reporting process.

Duke Energy's shared services accounting group developed additional procedures to exclude certain merger costs from wholesale power and transmission formula rate determinations of the public utility subsidiaries. The procedures included preparation of monthly spreadsheets identifying merger costs included in each subsidiary's operating accounts as reported in the Form No. 1. The rate staff of each public utility subsidiary was instructed to subtract the merger costs from operating accounts in the Form No. 1 that were used to compute the company's transmission formula rate. The procedures were designed to prevent merger costs reported in operating accounts from being incorporated in wholesale power and transmission formula rate determinations.

As a result of these procedures under which merger-related internal labor costs were not treated as CTA, audit staff found that Duke Companies' wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $17.5 million due to the inclusion of merger transaction internal labor costs in wholesale power and transmission rate determinations without first making a section 205 filing with the Commission as the Merger Order required. The improper charges included an estimated $17.2 million through inclusion of internal labor costs incurred in merger transaction and integration activities, and over $300,000 through inclusion of

[27] This included costs incurred in developing, executing, and obtaining approvals for the merger as well as incremental integration costs, but did not include merger-related internal labor costs Duke Companies considered non-incremental. For example, the costs included severance payments, employee relocation and retention costs, bonuses paid to employees for their work on the merger, investment banking and advisory fees, state and Federal regulatory expenses, costs for integrating accounting and information technology systems, transmission systems, fuel and dispatch systems, as well as transition costs, mitigation/concession costs, depreciation expenses for merger projects, and fees paid to providers of transmission service between the regulated utilities.

internal labor costs incurred to construct and operate the transmission expansion projects (TEPs), and repair and operate the Rockingham phase shifters.

Merger Transaction Internal Labor

During fieldwork, audit staff determined that Duke Energy excluded merger transaction internal labor from its definition of CTA and its CTA coding procedures. Duke Energy acknowledged that employees spent substantial time on merger activities. However, the company contended that employees performed merger activities in addition to their regular responsibilities and, therefore, no incremental internal labor costs were incurred due to the merger. Based on a belief that the hold harmless obligation applied only to incremental merger costs, Duke Energy instructed employees not to use the special CTA codes to report time devoted to merger activities on their timesheets. Consequently, public utility subsidiaries did not track all merger transaction internal labor costs or exclude all such costs from wholesale power and transmission formula rate cost computations. As a result, the subsidiaries improperly included some merger transaction internal labor costs in wholesale power and transmission formula rate determinations and inappropriately charged the costs to customers.

Contrary to Duke Energy's interpretation, the Merger Order required Duke Companies to hold customers harmless from "*all* merger transaction costs," and did not limit this requirement only to costs Duke Energy considered incremental. Duke Energy's assertion that its hold harmless obligation extended only to incremental costs must be made within a section 205 proceeding where it and other interested parties will have an opportunity to assess all evidence that supports or contradicts such a position. By excluding internal labor from its CTA tracking and reporting procedures, Duke Energy did not have the ability to determine the proportion of employee labor costs devoted to merger-related tasks, as opposed to utility-related tasks, the cost of which are appropriately recovered in rates. Moreover, even in the absence of detailed time reporting and accounting data, the companies were nonetheless prohibited from including these merger transaction costs in rate determinations without first receiving Commission authorization to do so in a section 205 proceeding in accordance with Merger Order requirements.

Since Duke Companies did not track all merger transaction internal labor costs, audit staff issued data requests and interviewed company employees during site visits and conference calls to develop its own estimate of the amount of merger transaction internal labor costs Duke Companies incurred and included in transmission formula rate charges. The information audit staff obtained confirmed that company employees spent substantial amounts of time working on the merger, as Duke Energy acknowledged. For example, Duke Energy reported in data responses that over 2,400 employees were engaged in merger activities from mid-2010 through present. The total included more than 2,300 employees who participated in over 300 merger integration projects performed to upgrade and integrate the companies' information technology, human resources, finance, and accounting systems and functions. About 140 employees were engaged in merger planning and evaluation, preparing and supporting merger applications and post-merger litigation, and developing and implementing measures to mitigate market power due to the merger. Audit staff found through assessment of data response information and interviews of company staff, that certain of these employees worked full time on the merger for the duration of their projects, while others devoted 50 percent or more of their time to assigned merger activities. Moreover, detailed analysis of integration projects with the largest budgets indicated that the assigned employees were heavily engaged in the projects for prolonged periods of time.

Audit staff used this information, interviews with employees engaged in merger activities, employees' salary information procured from data responses, and salary estimates found on publicly available sources to approximate the amount of internal labor costs incurred due to the merger. Audit staff estimated that the Duke Companies incurred between $55 million and $75 million of internal labor costs related to the merger, including salaries and benefits.

Audit staff then asked Duke Energy to provide its own estimate of the internal labor costs associated with each merger activity and a breakdown by FERC account. As the table below shows, Duke Energy estimated that $78.8 million in merger transaction internal labor costs were incurred to perform four primary merger tasks. Duke Energy's estimate exceeded audit staff's high-range estimate of internal labor costs.

		A	B
Row	**Merger Tasks**	**Duke Companies' Estimated Internal Labor Cost (Million $)**	**Estimated Internal Labor Included in the Revenue Requirements of Wholesale Power and Transmission Rates (Million $)**
1	Merger Planning, Evaluation, Due Diligence	2.3	0.1
2	Preparation and Support for Regulatory Applications and Post-Merger Litigation	3.9	0.2
3	Development and Implementation of Measures to Mitigate Market Power	0.6	0.03
4	Planning, Management, and Execution of Merger Integration Projects	72.0	16.9
	Total	**78.8**	**17.2**

Of the $78.8 million in merger transaction internal labor costs estimated by Duke Energy, about $1.6 million of the costs were recorded in distribution operating and maintenance expense accounts that were not included in Commission-jurisdictional rate determinations, and $31.4 million was recorded in production and transmission operating and maintenance expense accounts incorporated in wholesale power and transmission formula rates. Duke Energy estimated that wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $17.2 million.[28] The remaining $45.8 million in merger transaction internal labor costs were charged to capital work orders for integration projects that are under construction and not yet completed. Duke Energy represented that these costs have been classified as CTA, and will be excluded from wholesale power and transmission formula rates when the projects are completed.

By including these merger-related tasks in its definition of CTA, Duke Energy acknowledged that the merger activities employees performed would not have been required in the absence of the merger. Since the work was not related to utility service, employee time engaged on the merger should have been excluded from transmission formula rate determinations. In accordance with the hold harmless commitment, to recover merger costs in their wholesale power or transmission rates, the companies were required to submit a section 205 filing with the Commission detailing costs to be recovered and demonstrating that the costs were offset by quantified savings produced by the merger. Duke Companies did not submit a section 205 filing; therefore, the companies should not have recovered the costs in rates charged.

TEP Operating Expenses

Duke Energy's public utility subsidiaries included an estimated $300,000 of merger transaction internal labor costs in the transmission customers' formula rate revenue requirement for costs related to the TEP projects from 2012 through 2015. This amount was incurred to repair and operate the Rockingham phase shifters. The $300,000 was recorded as transmission maintenance expenses in Account 570, Maintenance of Station Equipment. In accordance with Duke Companies' internal accounting policy, the companies neither characterize the costs as merger-related CTA nor exclude the costs from transmission formula rate determinations. As a result, the $300,000 was included in transmission formula rates, and thus a portion of these costs was inappropriately charged to transmission customers.

In its June 8 and October 29 Compliance Orders, the Commission explicitly directed Duke Companies to hold customers harmless from all costs related to the TEPs

[28] During the audit, DEC and DEP had about 20 wholesale power customers under service contracts with cost-based rates determined under a formula to which merger transaction internal labor costs were incorporated. As a result, a portion of the merger transaction labor costs included in the formula was charged to wholesale power customers.

and the Rockingham phase shifters, consistent with the hold harmless commitment established in the Merger Order. Duke Companies should not have included these internal labor charges in transmission formula rate determinations without first submitting a section 205 filing to the Commission that demonstrated that the costs were offset by quantified savings produced by the merger.

Recommendations

We recommend Duke Companies:

5. Revise all policies and procedures for tracking, accounting, and excluding merger transaction costs from wholesale power and transmission formula rates, including amounts previously charged to utility plant, accumulated deferred income taxes, construction work in progress with the associated capitalized cost of funds used during construction (AFUDC), and maintenance and operating expense accounts, and future charges to such accounts for any transaction to which a FERC hold harmless obligation applies. The revised procedures should hold customers harmless from all merger transaction costs consistent with requirements of the Merger Order. Among other things, the revised policies and procedures should include an annual review of each subsidiary's merger transaction cost adjustments as well as periodic evaluations within the year, as needed and appropriate.

6. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the inclusion of merger transaction internal labor and related costs in wholesale power and transmission formula rates during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

7. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

8. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

3. Merger Transaction Outside Services and Related Costs

Duke Companies incorrectly included $1.5 million of merger transaction outside services and related costs in wholesale power and transmission formula rate service cost determinations without first submitting a section 205 application demonstrating the costs were offset by quantified savings produced by the merger. In addition, the companies recorded the merger transaction costs in operating accounts, contrary to the Commission's long-standing policy that such costs be recorded in nonoperating accounts. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $745,000.

Pertinent Guidance

The Commission's Merger Order states in part:

> We accept Applicants' commitment to hold transmission and wholesale requirements customers harmless for five years from costs related to the Proposed Transaction. We interpret Applicants' hold harmless commitment to include all transaction-related costs, not only costs related to consummating the transaction.
>
> If Applicants seek to recover transaction-related costs through their wholesale power or transmission rates within the next five years, they must submit a compliance filing that details how they are satisfying the hold harmless requirement. If Applicants seek to recover transaction-related costs in an existing formula rate that allows for such recovery within the next five years, then that compliance filing must be filed in the section 205 docket in which the formula rate was approved by the Commission, as well as in the instant section 203 docket. In such filings, Applicants must: (1) specifically identify the transaction-related costs they are seeking to recover; and (2) demonstrate that those costs are exceeded by quantified savings resulting from the transaction, in addition to any requirements associated with filings made under section 205.[29]

The Commission's long-standing precedent stipulates that transaction costs incurred by public utilities associated with a merger are nonoperating in nature and should be charged to Account 426.5, Other Deductions, to the extent the costs are not passed on to the parent holding company. For example, in *Allegheny Energy, Inc.*, the Commission stated in part:

[29] Merger Order, 136 FERC ¶ 61,245 at PP 169-170.

The Commission has previously determined that merger transaction costs are considered non-operating in nature and should be recorded in Account 426.5, Other Deductions.[30]

18 C.F.R. Part 101, Account 426.5, Other Deductions, states:

This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

Background

In the process of evaluating Duke Companies' compliance with the hold harmless commitment, audit staff issued data requests and interviewed company employees regarding the accounting and formula rate impact of activities engaged prior to and after public announcement of the merger, such as outside service costs incurred to facilitate the merger and associated internal corporate costs. In reviewing materials received, audit staff found that Duke Energy's corporate development group incurred over $1.5 million in merger transaction costs in the second half of 2010 (i.e., prior to the merger announcement in January 2011) and allocated those costs to its then public utility subsidiaries – DEC, DEI, DEO, and DEK – prior to consummation of the merger.

The costs included $1.35 million paid to outside consultants, lawyers, and accountants for financial forecasting, analysis of market power issues and related services, and $150,000 of internal labor and other costs related to this work. The subsidiary companies improperly recorded the merger transaction outside service costs in Account 923, Outside Services Employed, and most of the associated internal labor and other costs in Account 920, Administrative and General Salaries. Account balances reported in each company's Form No. 1 were included in the determination of the company's wholesale power and transmission formula rate service charges.

DEC, DEI, DEO, and DEK reported these costs in their respective 2010 Form No. 1 reports. The companies neither characterized the costs as merger-related CTA following the merger announcement and issuance of the Merger Order, nor excluded the costs from wholesale power and transmission formula rate determinations in 2011 or subsequent years.

[30] *See Allegheny Energy, Inc.*, 133 FERC ¶ 61,222 at P 73 (2010). See also *Midwest Power Systems, Inc. and Iowa-Illinois Gas and Elec. Co.*, 71 FERC ¶ 61,386, at 62,509 (1995); *MidAmerican Energy Co. and MidAmerican Energy Holdings Co.*, 85 FERC ¶ 61,354, at 62,370 (1998); and *Wis. Elec. Power Co.*, 74 FERC ¶ 61,069, at 61,192 (1996).

Pursuant to the hold harmless commitment, the companies should not have included the $1.5 million in merger transaction costs in wholesale rate determinations without first submitting a section 205 filing to the Commission that demonstrated the costs were offset by quantified savings produced by the merger. Moreover, pursuant to long-standing Commission precedent, the merger transaction costs the companies recorded in Accounts 920 and 923 are considered nonoperating in nature and, as such, were required to be recorded to Account 426.5. The text of Account 426.5 states that the account shall include expenses that are nonoperating in nature. Duke Energy estimated that wholesale power and transmission customers' revenue requirements were inappropriately overstated $745,000.

Recommendations

We recommend Duke Companies:

9. Revise accounting policies and procedures to appropriately account for merger transaction costs consistent with Commission accounting requirements.

10. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the inclusion of merger transaction outside services and related costs in wholesale power and transmission formula rate charges during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

11. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

12. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

4. Use of the Consolidated Method of Accounting

DEC and DEP accounted for investments in subsidiaries on a consolidated basis in their Form No. 1 reports, contrary to the Commission's long-standing accounting policy.

Pertinent Guidance

Order No. 469 revised and amended sections of 18 C.F.R. Parts 101 and 201 to adopt the equity method of accounting for long-term investments in subsidiaries and add new balance sheet and income statement accounts, and definitions. Order No. 469 states in part:

> Under the equity method of accounting, the utility's investment account is increased or decreased to reflect the utility's proportionate share of a subsidiary's current earnings applicable to common stock regardless of whether the earnings are actually paid out as dividends to the utility. When dividends are received, the investment account is reduced by an equivalent amount.[31]

18 C.F.R. Part 101, Account No. 123.1, Investment in Subsidiary Companies, states:

> A. This account shall include the cost of investments in securities issued or assumed by subsidiary companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement plus the equity in undistributed earnings or losses of such subsidiary companies since acquisition. This account shall be credited with any dividends declared by such subsidiaries.
>
> B. This account shall be maintained in such a manner as to show separately for each subsidiary: the cost of such investments in the securities of the subsidiary at the time of acquisition; the amount of equity in the subsidiary's undistributed net earnings or net losses since acquisition; advances or loans to such subsidiary; and full particulars regarding any such investments that are pledged.

[31] *Revisions in the Uniform System of Accounts, and Annual Report Forms No.1 and No. 2 to Adopt the Equity Method of Accounting for Long-Term Investments in Subsidiaries*, Order No. 469, 49 FPC 326, *reh'g denied*, 49 FPC 1028 (1973).

18 C.F.R. Part 101, Account 216.1, Unappropriated Undistributed Subsidiary Earnings, states:

> This account shall include the balances, either debit or credit, of undistributed retained earnings of subsidiary companies since their acquisition. When dividends are received from subsidiary companies relating to amounts included in this account, this account shall be debited and account 216, Unappropriated Retained Earnings, credited.

18 C.F.R. Part 101, Account No. 418.1, Equity in Earnings of Subsidiary Companies, states:

> This account shall include the utility's equity in the earnings or losses of subsidiary companies for the year.

Background

DEC and DEP formed wholly owned special purpose subsidiaries, Duke Energy Receivables Finance Company, LLC (DERF) and Duke Energy Progress Receivables, LLC (DEPR), respectively, in 2003 and 2013. The companies accounted for their investments in the subsidiaries using the consolidated method of accounting. Specifically, DEC consolidated DERF in its Form No. 1 reports from 2003 through 2013; and DEP consolidated DEPR in its Form No. 1 in 2013. The accounting resulted in the recognition of property, expenses, revenue, debt, and equity of the subsidiaries in DEC and DEP's respective Form No. 1 reports. During the course of the audit, in 2014, the companies ceased accounting for their investments in the subsidiaries using the consolidation method of accounting and began using the equity method of accounting.

Prior to 2014, DEC and DEP's accounting for their investments in the subsidiaries was not consistent with the Commission's accounting requirements, which required the companies to account for the investments using the equity method of accounting. In accordance with the provisions of Order No. 469, the companies were required to account for the subsidiaries as investments in Account 123.1, Investments in Associated Companies, and record equity in earnings of the subsidiaries in Account 418.1, Equity in Earnings of Subsidiary Companies, and undistributed retained earnings of the subsidiaries in Account 216.1, Unappropriated Undistributed Subsidiary Earnings.[32]

[32] *Id.*

On August 19, 2015, during the course of the audit, Duke Energy submitted a request to the Commission on behalf of the companies for retroactive and prospective waivers of the equity method accounting requirement.[33] In the filing, among other things, DEC and DEP acknowledged that they had inappropriately accounted for investments in their subsidiaries using the consolidation method of accounting, and improperly included the results of the subsidiaries' operations in cost of service formula rate determinations. On December 18, 2015, the companies submitted a filing to the Commission under section 205 of the FPA seeking approval of proposed amendments to the formula rates in their Joint OATT and wholesale power agreements to provide for consolidation of the subsidiaries for cost of service rate determination purposes.[34]

Duke Energy did not notify audit staff of the inappropriate consolidation accounting, or of its request for waiver of the equity accounting requirements. The company should have disclosed the erroneous accounting to audit staff when it discovered the matter, which according to its representation occurred in late 2014. However, neither audit staff nor the Commission was notified of the improper accounting and the associated rate impacts until August 2015. Duke Energy's lack of timely disclosure of DEC and DEP's noncompliance with Commission regulations is problematic. The company should take necessary steps to ensure that its corporate compliance culture and program are strengthened to prevent situations like this on a going forward basis.

[33] Duke Energy Carolinas, LLC, et al., Request for Waiver, Docket No. AC15-174-000, (filed Aug. 19, 2015). The filing requested waivers of the equity accounting requirement on behalf of DEC, DEP, and DEF, which formed a wholly owned subsidiary Duke Energy Florida Receivables, LLC (DEFR) in 2014. The Chief Accountant issued a delegated letter order on February 12, 2016 that granted the requested waivers to the companies and directed specific accounting regarding sales of accounts receivable. Duke Companies filed a request for rehearing of the letter order on March 14, 2016.

[34] *Duke Energy Carolinas, LLC, et al.*, Docket Nos. ER16-577-000, ER16-578-000, and ER16-579-000. The Commission issued delegated letter orders on February 11, 2016, accepting for filing the amendments to the Joint OATT and rate schedules to provide for DEC, DEP, and DEF's use of the consolidated method of accounting for ratemaking purposes.

Recommendations

We recommend Duke Companies:

13. Review and, as needed, revise accounting policies, practices, and procedures to ensure that investments in subsidiaries are accounted for consistent with the Commission's equity method accounting requirements.

14. Evaluate the accounting applied to Duke Companies' existing subsidiaries and notify DAA of any areas of noncompliance with Commission accounting requirements.

15. Revise documented policies, procedures and processes to ensure timely notice is provided to relevant regulators regarding instances of noncompliance with regulations, rules, and orders.

16. Provide training to staff on procedures, practices, and available tools to transparently or anonymously report instances of noncompliance to senior management, the Board of Directors, and relevant regulators.

5. Accounting for Sales of Accounts Receivable

DEC, DEP, and DEF misclassified an estimated $94.7 million of nonoperating expenses and receivables arising from transactions with their subsidiaries during the audit period. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $61 million.

Pertinent Guidance

18 C.F.R. Part 101, Account 930.2, Miscellaneous General Expenses, states in part:

> This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

18 C.F.R. Part 101, Account 426.5, Other Deductions, states in part:

> This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

The Commission addressed the appropriate accounting for the sale of accounts receivable in Opinion No. 375, which stated in part:

> From an accounting standpoint, we find that the record supports the staff and intervenors' position – which the initial decision adopted – that the loss on the sale of accounts receivable was erroneously recorded by SERI [System Energy Resources, Inc.] in Account 930.2. . ..[35]

Background

During audit fieldwork, audit staff analyzed data regarding transactions between DEC, DEP, and DEF and the companies' respective nonutility subsidiaries, DERF, DEPR, and DEFR, and interviewed employees responsible for accounting for the transactions. The transactions involved the companies' sales of accounts receivable to their subsidiaries. The receivables arose from billings on sales of electricity and related services by the companies. The companies sold the receivables to their subsidiaries at a loss (or discount), and accounted for the loss as an expense by debiting Account 930.2, Miscellaneous General Expenses, an account included in wholesale power and transmission service cost formula rate determinations, for the amount of the loss. DEC,

[35] *System Energy Resources, Inc.*, 60 FERC ¶ 61,131 (1992).

DEP, and DEF recognized total losses of \$149.6 million, \$35.1 million, and \$23.5 million, respectively, from 2011 through 2014.

Audit staff also discovered that there were similar transactions involving sales of accounts receivable by DEI, DEO, and DEK to Cinergy Receivables, a Duke Energy subsidiary. However, through discussions with audit staff, Duke Energy represented that instead of recording losses on sold receivables in Account 930.2, DEI, DEO, and DEK accounted for the losses in Account 904, Uncollectible Accounts, an account not included in wholesale power or transmission service cost formula rate determinations.

DEC, DEP, and DEF performed collection services on behalf of their subsidiaries associated with the sold receivables whereby the companies collected bill payments from customers and remitted funds received to the subsidiaries. The companies charged the subsidiaries a fee for performing the collection service, which effectively resulted in a reimbursement of the collection service cost incurred by the companies. Expenses incurred by the companies associated with performing the collection service were accounted for by debiting the costs to Account 903, Customer Records and Collection Expenses. These expenses were also accounted for as a debit in Account 930.2 that Duke Energy represented was the fee billed to the subsidiaries for performing the collection service. As a result of this accounting, DEC, DEP, and DEF double-counted expenses in their respective Form No. 1 reports associated with collection services performed. Furthermore, the companies accounted for the reimbursements of their incurred collection service expenses that resulted from their billed subsidiaries by crediting Account 421, Miscellaneous Non-Operating Income.

Duke Companies' accounting for the loss on the sale of the receivables was not consistent with the Commission's accounting requirements and precedent. Under the Uniform System of Accounts (USofA), sales of accounts receivable constitute the disposition of utility assets. The USofA contemplates that in transactions of this nature, a company should recognize a gain or loss, measured by the difference between the net book value of the asset at the date of the sale and the proceeds from the sale, less related fees and expenses of the sale. Further, the USofA requires a company to record any gains or losses from the disposition of assets in nonoperating expense accounts, except with respect to the sale of future use property.[36] The instructions to Account 426.5, Other Deductions, provide for the recording of nonoperating expenses of this nature. Additionally, the Commission has previously addressed the matter of the appropriate

[36] With respect to future use property recorded in Account 105, Electric Plant Held for Future Use, the USofA requires a company to include a gain on a sale in Account 411.6, Gains from Disposition of Utility Plant, and a loss in Account 411.7, Losses from Disposition of Utility Plant.

accounting for sales of receivables in its Opinion No. 375, wherein it was determined that the loss on the sale of receivables should be accounted for in Account 426.5.[37]

In addition, DEC, DEP, and DEF's accounting for reimbursements of incurred collection service expenses was not consistent with the Commission's accounting requirements. The USofA contemplates that such reimbursements of collection service expenses incurred by DEC, DEP, and DEF on behalf of their respective subsidiaries be recorded as a reduction of the expenses. Accordingly, the companies should have accounted for the reimbursements through a credit entry to the collection service expenses recorded in Account 903.

Duke Energy represented that prior to 2014, DEC and DEP's accounting for the losses on the sales of receivables and collection service fees billed to the subsidiaries that were recorded in Account 930.2 had no impact on service rates charged to wholesale power and transmission formula rate customers due to accounting entries the companies made associated with consolidation method accounting that offset the items and neutralized the rate impact. Duke Energy indicated that the companies made the offsetting entries from the respective dates their subsidiaries were established and transactions initiated through 2013.[38] However, in 2014, DEC and DEP ceased their practice of using the consolidation method of accounting.[39] Cessation of consolidation method accounting led the companies to end their practice of recording the offsetting entries. Moreover, DEF established its subsidiary, DEFR, in 2014, and did not record any accounting entries to offset its losses on the sales and collection service fees billed to its subsidiary. As a result, rates charged by DEC, DEP, and DEF based on amounts reported in the companies' respective 2014 Form No.1 reports included the nonoperating losses and collection service fees that were misclassified in Account 930.2 and not offset by other entries. This led to DEC, DEP, and DEF inappropriately including the losses and fees of $38.1 million, $33.1 million, and $23.5 million, respectively, in rate determinations.

The companies' accounting mistakes led to an estimated $94.7 million of costs being inappropriately included in wholesale power and transmission formula rate service cost determinations during the audit period. Duke Energy estimated that this resulted in wholesale power and transmission customers' revenue requirements being inappropriately overstated by an estimated $61 million.

[37] *System Energy Resources, Inc.*, 60 FERC ¶ 61,131 (1992).

[38] DEC's subsidiary, DERF, was established in 2003, and DEP's subsidiary, DEPR, was established in 2013.

[39] *See* Finding No. 4, Consolidation Method of Accounting.

On March 14, 2016, Duke Companies filed a request for rehearing of the Chief Accountant letter order in Docket No. AC15-174-000 challenging the order's decision regarding the appropriate accounting for losses on the sale of receivables, which is also addressed by this Audit Finding. In light of the current challenge to the Chief Accountant's order and uncertain outcome, as well as, the potential of a contested audit over the identical issue, in this instance the portions of this Audit Finding that relate to the losses issues, including Recommendations 17 and 18, shall be held in abeyance and shall be subject to the outcome of the rehearing request and any subsequent petitions for court review. Although the recommendations regarding the portion of this Audit Finding relating to the losses issues are held in abeyance and subject to the outcome of the rehearing request and any subsequent petitions for court review, the requirement to make refunds in accordance with Recommendation 21 below is not impacted by the rehearing request.

Recommendations

We recommend Duke Companies:

17. Revise procedures to ensure that all costs and account balances associated with the sale of accounts receivable are accounted for in accordance with Commission accounting regulations. Among other things, the corrected accounting should ensure that all losses associated with receivable sales are recorded in Account 426.5.

18. Provide the revised procedures to DAA for review within 60 days of receiving the final audit report.

19. Recalculate charges to wholesale power and transmission customers of DEC, DEP, and DEF and submit the recalculations in a refund analysis to DAA for review within 60 days of receiving the final audit report. The refund analysis should explain and detail the: (1) return of collection service billings charged in 2014; (2) return of losses on the sales included in rates; (3) determinative components of the refund; (4) refund method; (5) period(s) refunds will be made; and (6) interest calculated in accordance with section 35.19 of Commission regulations.

20. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

21. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

6. Accounting for Lobbying Expenses

Duke Companies recorded approximately $2.4 million of lobbying expenses in above-the-line operating accounts from 2011 to 2013. As a consequence, Duke Companies improperly included these costs in wholesale power and transmission formula rate service cost determinations.

Pertinent Guidance

18 C.F.R. Part 101, Account 426.4, Expenditures for Certain Civic, Political, and Related Activities, states in part:

> This account shall include expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances . . . or approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials. . . .

Background

Audit staff evaluated costs incurred by Duke Companies associated with civic, political, and related activities during the audit period. Audit staff reviewed third-party lobbying expenditure disclosures, press articles, internal lobbyist meeting schedules and agendas, and interviewed internal lobbyists and support staff to understand the nature and extent of the companies' lobbying activities. In addition, audit staff tested a sample of work orders, invoices, and associated accounting detail records that support internal lobbyists' labor costs incurred. Audit staff discovered that Duke Companies improperly recorded nearly $2.4 million in lobbying costs to above-the-line operating accounts rather than to Account 426.4, Expenditures for Certain Civic, Political, and Related Activities, as required.

Account 426.4 provides for reporting expenditures for the purpose of influencing public opinion, such as lobbying expenses. Audit staff found that Duke Companies recorded a portion of these costs associated with wages and salaries of internal lobbyist and support staff in Account 426.4 as required, but failed to properly charge other related costs to the account associated with the labor, such as payroll taxes, retirement, health, and other benefits. Audit staff also found that the companies incorrectly accounted for amounts paid to outside firms that lobby on behalf of the companies. Duke Companies improperly included these expenses in wholesale power and transmission formula rate determinations and recovered a portion of the costs through charges to customers.

Further, audit staff found that Duke Companies lacked formal procedures and oversight controls to help ensure that lobbying costs were accounted for appropriately.

The companies should implement procedures to reduce the risk that lobbying costs are inappropriately accounted for and included in jurisdictional rate determinations.

Recommendations

We recommend Duke Companies:

22. Establish and implement written procedures governing the methods used to account for, track, report, and review lobbying costs incurred.

23. Provide training on Commission accounting requirements and the impact of accounting on cost-of-service rate determinations to employees involved in lobbying and lobbying-related work, and those with oversight responsibility for lobbying cost allocations. Also, develop a training program that supports the provision of periodic training in this area.

24. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the improper inclusion of lobbying costs in operating accounts during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

25. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

26. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

7. Allocation of Lobbyist Labor Costs

Duke Companies accounted for the labor costs of internal lobbyists and their support staff in operating accounts that lacked support for inclusion in the accounts. Improper accounting for the costs can lead to inappropriate recovery of the costs through rates charged and billed to customers.

Pertinent Guidance

18 C.F.R. Part 101, General Instruction No. 9, Distribution of Pay and Expenses of Employees, states:

> The charges to electric plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

> 18 C.F.R. Part 101, General Instruction No. 10, Payroll Distribution, states:

> Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially to clearing accounts so that the total labor cost may be classified among construction, cost of removal, electric operating functions (steam generation, nuclear generation, hydraulic generation, transmission, distribution, etc.) and nonutility operations.

18 C.F.R. Part 101, Account 426.4, Expenditures for Certain Civic, Political, and Related Activities, states in part:

> This account shall include expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances . . . or approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials . . . .

Background

In connection with the evaluation of Duke Companies' expenditures for lobbying activities, audit staff discovered that the companies' allocation of the labor costs of internal lobbyists and their support staff was based in part on the amount of time that state legislatures and Congress were in session. Duke Energy explained that these entities were in session on average 180 days a year, and that lobbying activities of its staff to influence legislation would typically be performed while the legislatures and Congress were in session. This resulted in the companies using a default allocator that charged 50 percent of lobbying costs above-the-line to operating accounts and 50 percent below-the-line to Account 426.4, Expenditures for Certain Civic, Political, and Related Activities.

Audit staff interviewed internal lobbyists and their support staff to understand their roles and job assignments, and reviewed lobbyists' schedules as documented in email, itineraries from industry conferences, and other materials. Duke Energy represented that the companies' internal lobbyist performed internal corporate functions such as (1) budgeting, (2) performance appraisals, (3) training, and (4) other activities. However, audit staff could not determine based on documentation provided, that the 50/50 labor allocation split between above- and below-the-line accounting for lobbying and related costs was accurate or reasonable. Moreover, audit staff discovered that the companies neither had a formal oversight review process to assess the accuracy of the labor allocations nor maintained documentation to support the allocations.

General Instructions No. 9, Distribution of Pay and Expenses of Employees, and No. 10, Payroll Distribution, require public utilities to charge lobbying-related labor to operations based on actual time engaged in utility operations or on a representative time study, and to maintain data supporting distribution of the labor to operating costs. Audit staff found that Duke Companies' charges of lobbying and support staff labor to operations were neither based on actual time engaged in utility operations nor derived from representative time studies, as required. The companies also did not maintain data supporting distribution of the costs to utility operations. Duke Companies' accounting for lobbying labor time charges was not consistent with Commission accounting requirements and could have resulted in the inclusion of inappropriate costs in operating accounts, and consequently, in charges to transmission service formula rate and wholesale requirements customers. This could have led to the overcharging of wholesale ratepayers.

Recommendations

We recommend Duke Companies:

27. Revise written policies and procedures to create a process to document and verify appropriate allocation of lobbying and lobbying-related costs, and maintain auditable support for the cost included in rate determinations.

28. Retain an independent third-party entity to conduct a representative labor time study to determine an appropriate allocation of internal lobbyist labor, support

staff, and associated costs that should be accounted for in operating and nonoperating accounts based on time spent by employees engaged in the activities. Provide the study results to audit staff within 180 days of receiving the final audit report.

29. Include the results of the labor time study in the determination of lobbying-related labor cost allocations as of January 1, 2016.

30. Implement policies and procedures to perform a labor time study at least biennially using an independent third-party or internal company resources that are able to attest to the results of the study. Revise the lobbying-related labor cost allocations based on the results of the study.

8. Nonutility Expenses in Operating Accounts

Duke Companies recorded approximately $490,000 of nonutility expenses in operating accounts in 2014. As a result, inappropriate costs were included in wholesale power and transmission formula rate service cost determinations and charged to customers.

Pertinent Guidance

Accounting Release 12, Discriminatory Employment Practices, states in part:

> Expenditures resulting from employment practices found to be discriminatory by a judicial or administrative decree or that were the result of a compromise settlement or consent decree are not just and reasonable cost of utility operations and as such must be charged to nonoperating expense accounts.

18 C.F.R Part 101, Account 426.1, Donations, states:

> This account shall include payments or donations for charitable, social, or community welfare purposes.

18 C.F.R. Part 101, Account 426.5, Other Deductions, states:

> This account shall include other miscellaneous expenses for which are non-operating in nature, but which are properly deductible before determining total income before interest charges.

Background

Audit staff reviewed a sample of expenses charged to administrative and general (A&G) accounts to determine whether the charges were accounted for in accordance with Commission accounting requirements. The sample included charges to Accounts 920, Administrative and General Salaries, 923, Outside Services Employed, and 926, Employee Pensions and Benefits, in 2012. Audit staff reviewed accounting records and documentation supporting amounts reported in the accounts, such as invoices, work orders, and billings. Audit staff also interviewed Duke Companies' employees with responsibility for documenting and accounting for costs reported in the accounts.

Audit staff's review found that Duke Companies accounted for $100,000 of expenditures resulting from employment practices found to be discriminatory as operating expenses. However, in accordance with the requirements of Accounting Release 12, Discriminatory Employment Practices, expenses of this nature should be accounted for as nonoperating expenses. Of the $100,000, audit staff found that $40,000 was improperly recorded to Account 923 and inappropriately included in transmission formula rate determinations. The remaining $60,000 was incorrectly accounted for in production and distribution operating accounts, including Accounts 519, Coolants and Water, 524, Miscellaneous Nuclear Power Expenses, and 583, Overhead Line Expenses. The costs should have been charged to Account 426.5, Other Deductions, consistent with the instructions of the account. Account 426.5 provides for recording expenses that are nonoperating in nature, and are properly deductible before determining total income before interest charges.

Further, audit staff also found that Duke Companies improperly charged about $39,000 in costs related to donations and charitable contributions to above-the-line operating accounts rather than Account 426.1, Donations, as required. Account 426.1 provides for reporting payments or donations for charitable, social, or community welfare purposes. The sampled invoices that audit staff reviewed included expenditures for charity-related activities that were improperly charged to operating accounts.

Because audit staff's review involved a select, small sample of transactions out of a larger population of transactions that involved expenses charged to Accounts 920, 923, and 926, audit staff believes that review of a larger number of transactions charged to these accounts may have revealed additional accounting errors that could have resulted in inappropriate charges to wholesale power and transmission formula rate customers. Duke Companies represented that they performed an analysis of all charges to the 900 series expense accounts for April 2014 through December 2014, and estimated that they incorrectly accounted for approximately $490,000 of costs in the accounts in 2014. These errors are the result of Duke Companies' lack of documented policies and insufficient training of employees on Commission requirements pertaining to accounting for nonoperating expenses. Employees with responsibility for recording expenses of this nature should have knowledge of the importance of appropriate accounting and the impact of improper accounting on rates charged through transmission formula rates.

Recommendations

We recommend Duke Companies:

31. Develop and implement written policies, procedures, and controls to ensure proper accounting and reporting of nonutility expenses.

32. Provide training for employees involved in the invoicing process on Commission accounting requirements and the impact of the accounting on cost-of-service rate determinations.

33. Within 60 days of receiving the final audit report, provide documentation supporting the analysis performed of invoiced expenses recorded to A&G accounts in 2014 that identified misclassified nonutility expenses included in A&G accounts. Develop an estimate of misclassified nonutility expenses accounted for in operating accounts in 2011 through 2013 and 2015.

34. Implement policies and procedures to provide periodic audits or reviews of A&G transactions by external or internal auditors.

35. Submit a refund analysis, within 60 days of receiving the final audit report, for review to DAA that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the improper inclusion of identified and estimated nonutility expenses in charges to wholesale power and transmission customers during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made. Include the results of the invoice analysis in the refund analysis.

36. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

37. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Appendix: Duke Energy's Comments on Audit Report

DUKE ENERGY.

Brian D. Savoy
Senior Vice President, Chief Accounting
Officer and Controller

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March 30, 2016

Mr. Bryan K. Craig
Director and Chief Accountant
Division of Audits and Accounting
Office of Enforcement
Federal Energy Regulatory Commission
888 First Street NE, Room 5K-13
Washington, DC 20426

RE: Office of Enforcement
Docket No. PA14-2-000
Duke Energy Corporation

Dear Mr. Craig:

On February 19, 2016, the Division of Audits and Accounting ("DAA") within the Office of Enforcement of the Federal Energy Regulatory Commission (the "Commission") issued a draft audit report setting forth the DAA's findings and recommendations resulting from the audit of Duke Energy Corporation ("Duke Energy") and its public utility subsidiaries' compliance with (1) conditions in Commission merger authorization orders, (2) transmission formula rate tariff requirements, and (3) accounting and financial reporting regulations. After several constructive discussions between DAA staff and Duke Energy, the draft audit report was revised several times. DAA staff sent the latest revision to Duke Energy dated March 29, 2016. Duke Energy is responding to the March 29 revision.

SUMMARY

In the draft audit report as revised, the DAA made eight findings and 37 associated recommendations. In sum, Duke Energy accepts five of the eight findings and all associated recommendations. Duke Energy respectfully disagrees with, but will not contest, two of the eight findings (findings 2 and 3) and agrees to comply with all associated recommendations. Duke Energy disagrees with a portion of, but will not contest under 18 CFR Part 41, one of the eight findings (finding 5) and all recommendations as they apply to the portion with which it disagrees, and accepts in part finding 5 and all recommendations as they apply to the accepted portion.

RESPONSE TO FINDINGS

In accordance with the procedures set forth in 18 C.F.R. 41.1, Duke Energy responds to each of the findings as follows:

- **Finding 1.** *Accounting for Merger Transaction Costs* – Duke Companies did not file merger transaction accounting entries with the Commission as required by the Merger Order, and the companies recorded merger transaction costs in operating accounts, contrary to the Commission's long-standing policy that such costs be recorded in nonoperating accounts. By not filing the accounting entries, Duke Companies prevented Commission review of the merger accounting and correction of any entries that were not in accordance with Commission accounting requirements.

Response: Duke Energy accepts this finding.

- **Finding 2.** *Merger Transaction Internal Labor Costs* – Duke Companies improperly included approximately $31.4 million of merger transaction internal labor costs in wholesale power and transmission formula rate service cost determinations without first submitting a section 205 filing demonstrating that the costs were offset by quantified savings produced by the merger. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated an estimated $17.5 million.

Response: Duke Energy respectfully disagrees with this finding, but will not contest it. For the purpose of establishing a complete record, Duke Energy explains its position as follows.

Duke Energy acknowledges its obligation to hold transmission and wholesale power customers harmless for five years from costs related to the merger of Duke Energy and Progress Energy, Inc. (the "Merger").

Between the time of the Commission's Merger Order issued on September 30, 2011 and the closing of the Merger on July 2, 2012, Duke Energy determined that its hold harmless commitment is intended to apply to costs caused by the Merger ("Incremental Costs") and not to costs that would have been incurred even in the absence of the Merger ("Non-Incremental Costs"). No Commission orders squarely addressed this issue, and it seemed to be inherent in the nature of a *hold harmless* commitment that it would protect customers only from costs that they would not have incurred otherwise.

On the basis of this logic, Duke Energy did not treat as transaction-related costs any portion of the regular compensation that employees would have received in the absence of the Merger even if the employees spent some of their time working on transaction-related activities. The company would have paid those same salaries to the employees with or without the Merger. Thus the regular compensation of employees was viewed as Non-Incremental Costs. On the other hand, Duke Energy did treat as transaction-related costs any compensation paid to employees that would *not* have been incurred but for the Merger. For example, this included any bonuses paid to employees in recognition of the extended hours many employees worked to fulfill their regular duties and to work on merger activities. It also included temporary employees and contractors hired to backfill for work that could not be absorbed in this manner. These costs were viewed as Incremental Costs and accordingly were excluded from FERC-jurisdictional rates.

Treatment of internal labor costs in the context of a hold harmless obligation was certainly not a settled issue in early 2012 or even today. This uncertainty was reflected in the Commission's notice of proposed *Policy Statement on Hold Harmless Commitments* issued January 22, 2015 in Docket No. PL15-3. In this notice of proposed policy statement issued two and a half years after the closing of the Merger, the Commission states as follows:

> "...we propose to clarify those costs to which hold harmless commitments will apply. Although the Commission has provided broad guidance regarding the costs that should be covered under hold harmless commitments, it has never defined those costs with much specificity, leading to inconsistency with respect to this issue."[1]

The Commission proposed to clarify that internal labor costs should be treated as transaction-related costs and stated as follows:

> "If the duties of employees are not solely dedicated to activities related to a transaction, internal labor costs deemed merger-related should be determined in a manner that is proportionally equal to the amount of time spent on the merger compared to other activities of the utility and tracked accordingly."[2]

While this *proposal* is clear on this issue, it is worth repeating that it was issued two and a half years after the Merger closed. It is also important to note that it is just a proposal at this time because the final policy statement has not been issued. In addition, some commenters specifically disagreed with this point.[3] Finally, the Commission stated in the notice of proposed policy statement that it would have prospective effect only.[4]

Notwithstanding Duke Energy's belief that its failure to exclude from rates Non-Incremental internal labor costs was not a violation of any settled policy and in fact was based on the most reasonable interpretation of its hold harmless commitment, Duke Energy will not expend the resources necessary to contest this issue and will comply with all associated recommendations in the audit report. Duke Energy reserves all rights in the event that the Commission issues an order

[1] Paragraph 16 of the notice of proposed policy statement.
[2] Footnote 41 of the notice of proposed policy statement.
[3] See the comments of Edison Electric Institute filed on March 30, 2015 at p. 15-16.
[4] Paragraph 20 of the notice of proposed policy statement.

in the proposed policy statement proceeding or any other proceeding that is not consistent with Finding 2.
Duke Energy estimates that the total refunds that will be due to transmission and wholesale power customers arising from this finding will be approximately $1.2 million plus interest.

- **Finding 3.** *Merger Transaction Outside Services and Related Costs* – Duke Companies incorrectly included $1.5 million of merger transaction outside services and related costs in wholesale power and transmission formula rate service cost determinations without first submitting a section 205 filing demonstrating the costs were offset by quantified savings produced by the merger. In addition, the companies recorded the merger transaction costs in operating accounts, contrary to the Commission's long-standing policy that such costs be recorded in nonoperating accounts. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated an estimated $745,000.

Response: Duke Energy respectfully disagrees with this finding, but will not contest it. For the purpose of establishing a complete record, Duke Energy explains its position as follows.

The costs which are the subject of this finding are costs incurred in 2010 to investigate, agree to, and perform preliminary due diligence regarding, the Merger prior to the announcement of the Merger. Duke Energy made the determination that its hold harmless commitment was not intended to include such costs incurred during the formative stage of a potential transaction before it was clear that the company would even pursue the transaction. Like most utility holding companies, Duke Energy has a corporate development group that regularly investigates and reviews potential transactions as part of its routine operations. Only a very small percentage of potential transactions reviewed are ever consummated. In order to comply with a hold harmless commitment as interpreted in this Finding 3 for a transaction that is eventually consummated, the company would have to track all its costs for each and every potential transaction it reviews even though the vast majority will never be consummated. This would be unwieldy and wasteful. Because these potential transactions often will benefit customers, discouraging investigation of them is not in the best interests of customers.

Treatment of such investigation costs incurred prior to the announcement of a transaction in the context of a hold harmless obligation was certainly not a settled issue in early 2012 or even today. This uncertainty was reflected in the Commission's notice of proposed *Policy Statement on Hold Harmless Commitments* discussed in Duke Energy's response to Finding 2 above.

In the notice of proposed policy statement, the Commission proposed to clarify that such investigation costs would be subject to the hold harmless commitment.[5]

[5] Paragraph 22 of the notice of proposed policy statement.

As in Duke Energy's response to Finding 2 above, we will point out again that the notice of proposed policy statement was issued two and a half years after the Merger closed, and is just a proposal at this time because the final policy statement has not been issued. In addition, some commenters specifically disagreed with this point.[6]

Notwithstanding Duke Energy's belief that its failure to exclude pre-announcement costs that are the subject of Finding 3 was not a violation of any settled policy, Duke Energy will not expend the resources necessary to contest this issue and will comply with all associated recommendations in the audit report.

Duke Energy estimates that the total refunds that will be due to transmission and wholesale power customers arising from this finding will be approximately $60,000 plus interest.

- **Finding 4.** *Use of the Consolidation Method of Accounting* – DEC and DEP accounted for investments in subsidiaries on a consolidated basis in their FERC Form No. 1, Annual Reports (Form No. 1), contrary to the Commission's long-standing accounting policy.

Response: Duke Energy accepts this finding.

- **Finding 5.** *Accounting for Sales of Accounts Receivable* – DEC, DEP, and DEF misclassified an estimated $94.7 million of nonoperating expenses and receivables arising from transactions with their subsidiaries during the audit period. As a result, the wholesale power and transmission customers' revenue requirements were inappropriately overstated by an estimated $61 million.

Response: Duke Energy disagrees with the portion of this finding that concerns accounting for losses on the sale of receivables. However, Duke Energy will not contest this finding under 18 CFR Part 41 because the portion of this finding that relates to accounting for losses on the sale of receivables, including recommendations 17 and 18, will be held in abeyance and will be subject to the outcome of Duke Energy's request for rehearing in Docket No. AC15-174-001 pursuant to the draft audit report.

- **Finding 6.** *Accounting for Lobbying Expenses:* Duke Companies recorded approximately $2.4 million of lobbying expenses in above-the-line operating accounts from 2011 through 2013. As a consequence, Duke Companies improperly included these costs in wholesale power and transmission formula rate service cost determinations.

Response: Duke Energy accepts this finding.

[6] See the comments of Edison Electric Institute filed March 30, 2015 at p. 14-15.

- **Finding 7.** *Allocation of Lobbyist Labor Costs:* Duke Companies accounted for the labor costs of internal lobbyists and their support staff in operating accounts that lacked support for inclusion in the accounts. Improper accounting for the costs can lead to inappropriate recovery of the costs through rates charged and billed to customers.

Response: Duke Energy accepts this finding.

- **Finding 8.** *Nonutility Expenses in Operating Accounts:* Duke Companies recorded approximately $490,000 of nonutility expenses in operating accounts in 2014. As a result, inappropriate costs were included in wholesale power and transmission formula rate service cost determinations and charged to customers.

Response: Duke Energy accepts this finding.

RESPONSE TO RECOMMENDATIONS

Duke Energy will comply with all recommendations except as otherwise stated below. As requested, Duke Energy proposes target completion dates below for each recommendation wherever the recommendation does not specify the completion date.

Accounting for Merger Transaction Costs

1. Revise accounting policies and procedures to appropriately account for merger transactions consistent with Commission accounting requirements.

Target Completion Date: September 30, 2016

2. Develop written policies and procedures to timely identify proposed accounting transactions that would trigger a notification to the Commission.

Target Completion Date: September 30, 2016

3. Develop written policies and procedures to submit accounting questions of doubtful interpretation to the Commission.

Target Completion Date: September 30, 2016

4. Provide training to employees on compliance with the merger cost accounting conditions and the revised policies, procedures, and controls for complying with the conditions. Also, develop a training program that supports the provision of periodic training in this area.

Target Completion Date: December 31, 2016

Merger Transaction Internal Labor Costs

If the Commission issues a policy statement on hold harmless commitments and such policy statement is inconsistent with Finding 2 or Finding 3, then Duke Energy reserves the right to seek relief from compliance with any of recommendations 5 – 12 as appropriate.

5. Revise all policies and procedures for tracking, accounting, and excluding merger transaction costs from wholesale power and transmission formula rates, including amounts previously charged to utility plant, accumulated deferred income taxes, construction work in progress with the associated capitalized cost of funds used during construction (AFUDC), and maintenance and operating expense accounts, and future charges to such accounts for any transaction to which a FERC hold harmless obligation applies. The revised procedures should hold customers harmless from all merger transaction costs consistent with requirements of the Merger Order. Among other things, the revised policies and procedures should include an annual review of each subsidiary's merger transaction cost adjustments as well as periodic evaluations within the year, as needed and appropriate.

Target Completion Date: September 30, 2016

6. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the inclusion of merger transaction internal labor and related costs in wholesale power and transmission formula rates during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

7. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

8. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

Merger Transaction Outside Services and Related Costs

9. Revise accounting policies and procedures to appropriately account for merger transaction costs consistent with Commission accounting requirements.

Target Completion Date: September 30, 2016

10. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the inclusion of merger transaction outside services and related costs in wholesale power and transmission formula rate charges during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

11. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

12. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

Use of the Consolidation Method of Accounting

13. Review and, as needed, revise accounting policies, practices, and procedures to ensure that investments in subsidiaries are accounted for consistent with the Commission's equity method accounting requirements.

Response and Target Completion Date: Duke Energy will comply with this recommendation, but notes that the Commission has granted to DEC, DEP, and DEF a waiver from the requirement to use the equity method as discussed above. Target Completion date is 60 days after receiving the final audit report.

14. Evaluate the accounting applied to Duke Companies' existing subsidiaries and notify DAA of any areas of noncompliance with Commission accounting requirements.

Target Completion Date: 60 days after receiving the final audit report.

15. Revise documented policies, procedures and processes to ensure timely notice is provided to relevant regulators regarding instances of noncompliance with regulations, rules, and orders.

Target Completion Date: September 30, 2016

16. Provide training to staff on procedures, practices, and available tools to transparently or anonymously report instances of noncompliance to senior management, the Board of Directors, and relevant regulators.

Target Completion Date: December 31, 2016

Accounting for Sales of Accounts Receivable

17. Revise procedures to ensure that all costs, revenues, and account balances associated with the sale of accounts receivable are accounted for in accordance with Commission accounting regulations. Among other things, the corrected accounting should ensure that all discounts, fees, and revenues associated with receivable sales are recorded in Account 426.5, and that the cost of performing collection services on behalf of the subsidiaries, including employee labor, expenses, and an appropriate allocation of overhead and utility plant, are recorded in Account 426.5.

Response and Target Completion Date: In accordance with the draft audit report, the portions of this recommendation that relate to accounting for losses on the sale of receivables are held in abeyance and subject to the outcome of the rehearing request and any subsequent petitions for review proceedings. The target completion date for portions that do *not* relate to accounting for losses on the sale of receivables is 60 days after receiving the final audit report.

18. Provide the revised procedures to DAA for review within 60 days of receiving the final audit report.

Response and Target Completion Date: In accordance with the audit report, the portions of this recommendation that relate to accounting for losses on the sale of receivables are held in abeyance and subject to the outcome of the rehearing request and any subsequent petitions for review proceedings.

19. Recalculate charges to wholesale power and transmission customers of DEC, DEP, and DEF and submit the recalculations in a refund analysis to DAA for review within 60 days of receiving the final audit report. The refund analysis should explain and detail the: (1) return of collection service billings charged in 2014; (2) return of losses on the sales included in rates; (3) determinative components of the refund; (4) refund method; (5) period(s) refunds will be made; and (6) interest calculated in accordance with section 35.19 of Commission regulations.

20. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

21. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

Accounting for Lobbying Expenses

22. Establish and implement written procedures governing the methods used to account for, track, report, and review lobbying costs incurred.

Response: Duke Energy has completed this action. Duke Energy will update its procedures upon completion of the labor time study referenced in recommendation 28.

23. Provide training on Commission accounting requirements and the impact of accounting on cost-of-service rate determinations to employees involved in lobbying and lobbying-related work, and those with oversight responsibility for lobbying cost allocations. Also, develop a training program that supports the provision of periodic training in this area.

Response: Duke Energy has completed this action. Duke Energy will update its procedures upon completion of the labor time study referenced in recommendation 28.

24. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the improper inclusion of lobbying cost in operating accounts during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made.

25. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

26. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

Allocation of Lobbyist Labor Costs

27. Revise written policies and procedures to create a process to document and verify appropriate allocation of lobbying and lobbying-related costs, and maintain auditable support for the cost included in rate determinations.

Response: Duke Energy has completed this action. Duke Energy will update its procedures upon completion of the labor time study referenced in recommendation 28.

28. Retain an independent third-party entity to conduct a representative labor time study to determine an appropriate allocation of internal lobbyist labor, support staff, and associated costs that should be accounted for in operating and nonoperating accounts based on time spent by employees engaged in the activities. Provide the study results to audit staff within 180 days of the date of the final audit report.

29. Include the results of the labor time study in the determination of lobbying-related labor cost allocations as of January 1, 2016.

Target Completion Date: 180 days after the date of the final audit report

30. Implement policies and procedures to perform a labor time study biennially using an independent third-party or internal company resources that are able to attest to the results of the study. Revise the lobbying-related labor cost allocations based on the results of the study.

Target Completion Date: 180 days after the date of the final audit report

Nonutility Expenses in Operating Accounts

31. Develop and implement written policies, procedures, and controls to ensure proper accounting and reporting of nonutility expenses.

Response: Duke Energy has completed this action.

32. Provide training for employees involved in the invoicing process on Commission accounting requirements and the impact of the accounting on cost-of-service rate determinations.

Response: Duke Energy has completed this action.

33. Within 60 days of receiving the final audit report, provide documentation supporting the analysis performed of invoiced expenses recorded to administrative and general (A&G) accounts in 2014 that identified misclassified nonutility expenses included in A&G accounts. Develop an estimate of misclassified nonutility expenses accounted for in operating accounts in 2011 through 2013 and 2015.

34. Implement policies and procedures to provide periodic audits or reviews of A&G transactions by external or internal auditors.

Target Completion Date: 60 days after the date of the final audit report

35. Submit a refund analysis, within 60 days of receiving the final audit report, to DAA for review that explains and details the following: (1) calculation of refunds that include the amount of inappropriate recoveries that resulted from the improper inclusion of identified and estimated nonutility expenses in charges to wholesale power and transmission customers during the audit period, plus interest on the costs; (2) determinative components of the refund; (3) refund method; and (4) period(s) refunds will be made. Include the results of the invoice analysis in the refund analysis.

36. File a refund report with the Commission after receiving DAA's assessment of the refund analysis.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

37. Refund amounts disclosed in the refund report to wholesale power and transmission customers, with interest calculated in accordance with section 35.19a of Commission regulations.

Target Completion Date: 45 days after receiving DAA's assessment of the refund analysis

Duke Energy acknowledges and appreciates the professionalism and the courtesy with which DAA staff conducted this audit.

Sincerely,

Brian D Savoy by Paul King

Brian D. Savoy
Senior Vice President, Chief Accounting
Officer and Controller

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(j)

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807 KAR 5:001, SECTION 16(7)(j)

Description of Filing Requirement:

Prospectuses of the most recent stock or bond offerings.

Response:

See attached.

Witness Responsible:

Thomas J. Heath, Jr.

Execution Version

DUKE ENERGY KENTUCKY, INC.

(FORMERLY NAMED "THE UNION LIGHT, HEAT AND POWER COMPANY")

AND

DEUTSCHE BANK TRUST COMPANY AMERICAS,

AS TRUSTEE

NINTH SUPPLEMENTAL INDENTURE

DATED AS OF JUNE 15, 2024

TO

INDENTURE

DATED AS OF DECEMBER 1, 2004

Authorizing

5.90% Debentures due 2031
6.00% Debentures due 2034
6.17% Debentures due 2039

and
Otherwise Amending and Supplementing the Indenture

TABLE OF CONTENTS

THIS NINTH SUPPLEMENTAL INDENTURE, dated as of June 15, 2024 (the "Ninth Supplemental Indenture") is between Duke Energy Kentucky, Inc. (formerly named The Union Light, Heat and Power Company), a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (the "Company"), having its principal office at 139 East Fourth Street, Cincinnati, Ohio 45202, and Deutsche Bank Trust Company Americas, as Trustee (the "Trustee") under the Indenture, dated as of December 1, 2004, between the Company and the Trustee, as heretofore supplemented and as supplemented by this Ninth Supplemental Indenture (the "Indenture").

RECITALS OF THE COMPANY

The Company has executed and delivered the Indenture to the Trustee to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (the "Securities"), to be issued in one or more series as provided in the Indenture.

Pursuant to the terms of the Indenture, the Company desires to provide for the establishment of three new series of its Securities to be known as its (a) 5.90% Debentures due 2031 (the "2031 Debentures"), (b) 6.00% Debentures due 2034 (the "2034 Debentures") and (c) 6.17% Debentures due 2039 (the "2039 Debentures", collectively, the "Debentures"), in this Supplemental Indenture.

All things necessary to make this Supplemental Indenture a valid agreement of the Company have been done.

NOW, THEREFORE, THIS NINTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Debentures by the Purchasers and the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Debentures, as follows:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

ARTICLE ONE.

DEFINITIONS

SECTION 101. DEFINITIONS.

(a) In addition to the words and terms defined elsewhere in this Ninth Supplemental Indenture, the following defined term used herein shall, unless the context otherwise requires, have the meaning specified below.

"2031 Debentures" is defined in Section 201.

"2034 Debentures" is defined in Section 201.

"2039 Debentures" is defined in Section 201.

"Affiliate" means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"Basket Lien" is defined in Section 610(c).

"Below Investment Grade Adjusted Interest Rate" is defined in Section 204(e)(4).

"Below Investment Grade Event" is defined in Section 204(e)(4).

"Blocked Person" means (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC, (b) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed under U.S. Economic Sanctions Laws or (c) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a) or (b).

"Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

"Capital Lease" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"Consolidated Capitalization" means the sum, without duplication, of (i) Consolidated Indebtedness, (ii) consolidated common equityholders' equity as would appear on a consolidated balance sheet of the Company and its Consolidated Subsidiaries prepared in accordance with generally accepted accounting principles, (iii) the aggregate liquidation preference of preferred or priority equity interests (other than preferred or priority equity interests subject to mandatory redemption or repurchase) of the Company and its Consolidated Subsidiaries upon involuntary liquidation, (iv) the aggregate outstanding amount of all Equity Preferred Securities of the Company and (v) minority interests as would appear on a consolidated balance sheet of the Company and its Consolidated Subsidiaries prepared in accordance with generally accepted accounting principles.

"Consolidated Indebtedness" means, at any date, all Indebtedness of the Company and its Consolidated Subsidiaries determined on a consolidated basis in accordance with generally accepted accounting principles; *provided* that Consolidated Indebtedness shall exclude, to the extent otherwise reflected therein, Equity Preferred Securities of the Company and its Consolidated Subsidiaries up to a maximum excluded amount equal to 15% of Consolidated Capitalization.

"Consolidated Subsidiary" means, for any Person, at any date any Subsidiary or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements prepared in accordance with generally accepted accounting principles if such statements were prepared as of such date.

"Debt Rating" means the debt rating of the Debentures as determined from time to time by any NRSRO.

"Default" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" means a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) 2.00% per annum above the rate of interest stated on the face of the applicable Debentures.

"EDGAR" means the SEC's Electronic Data Gathering, Analysis and Retrieval System or any successor SEC electronic filing system for such purposes.

"Environmental Laws" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

"Equity Preferred Securities" means, with respect to the Company, any trust preferred securities or deferrable interest subordinated debt securities issued by the Company or any Subsidiary or other financing vehicle of the Company that (i) have an original maturity of at least twenty years and (ii) require no repayments or prepayments and no mandatory redemptions or repurchases, in each case, prior to the first anniversary of July 15, 2039.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

"Governmental Authority" means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Guaranty" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"Hazardous Materials" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"Indebtedness" of any Person means at any date, without duplication,

(i) all obligations of such Person for borrowed money,

(ii) all indebtedness of such Person for the deferred purchase price of property or services purchased (excluding current accounts payable incurred in the ordinary course of business),

(iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired,

(iv) all indebtedness under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases in respect of which such Person is liable as lessee,

(v) the face amount of all outstanding letters of credit issued for the account of such Person (other than letters of credit relating to indebtedness included in Indebtedness of such Person pursuant to another clause of this definition) and, without duplication, the unreimbursed amount of all drafts drawn thereunder,

(vi) indebtedness secured by any Lien on property or assets of such Person, whether or not assumed (but in any event not exceeding the fair market value of the property or asset),

(vii) all direct guarantees of Indebtedness referred to above of another Person,

(viii) all amounts payable in connection with mandatory redemptions or repurchases of preferred stock or member interests or other preferred or priority equity interests and

(ix) any obligations of such Person (in the nature of principal or interest) in respect of acceptances or similar obligations issued or created for the account of such Person.

"Institutional Investor" means (a) any Purchaser of a Debenture, (b) any Holder of a Debenture holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Debentures then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any Holder of any Debenture.

"Interest Payment Date" is defined for each series of Debentures in section 204(a), (b) and (c), respectively.

"Investment Grade" is defined in Section 204(e)(4).

"Investment Grade Adjusted Interest Rate" is defined in Section 204(e)(4).

"Investment Grade Event" is defined in Section 204(e)(4).

"lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"Make-Whole Amount" shall have the meaning set forth in Section 208(b) hereof.

"Material" means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement, the Indenture and the Debentures, (c) the ability of any Subsidiary Guarantor to perform its obligations under its Subsidiary Guaranty, or (d) the validity or enforceability of this Agreement, the Indenture or the Debentures.

"Material Credit Facility" means, as to the Company and its Subsidiaries:

(a) the Amended and Restated Credit Agreement dated as of March 18, 2022 (as amended by Amendment No. 1 and Consent dated as of March 17, 2023) (among Duke Energy Corporation, the Company, *et al.* and Wells Fargo Bank, National Association, as Administrative Agent, including any renewals, extensions, amendments, supplements, restatements, replacements or refinancing thereof (the "Existing Credit Facility"); and

(b) any other agreement(s) creating or evidencing indebtedness for borrowed money entered into on or after the date hereof by the Company or any Subsidiary, or in respect of which the Company or any Subsidiary is an obligor or otherwise provides a guarantee or other credit support ("Credit Facility"), in a principal amount outstanding or available for borrowing equal to or greater than $125,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency);

provided, however, if neither the Existing Credit Facility nor a Credit Facility that equals or exceeds the amount set forth in clause (b) of this definition is in effect, then the largest Credit Facility shall be deemed to be a Material Credit Facility.

"MFL Change of Control" means any provision, including those which are expressed as "events of default", "review events" or mandatory offer or prepayment provisions, that triggers events, rights or obligations based upon the direct or indirect acquisition of, or change in, ownership of the outstanding shares of common stock of the Company, a change in the majority of the members of the board of directors of the Company or equivalent governing body, or similar provisions relating to the control and management of the Company.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Multiemployer Plan" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"NRSRO" means Moody's and S&P, so long as, in each case, any such credit rating agency continues to be a nationally recognized statistical rating organization recognized by the SEC and is approved as a "Credit Rating Provider" (or other similar designation) by the NAIC.

"OFAC" means the Office of Foreign Assets Control, United States Department of the Treasury.

"OFAC Listed Person" means a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC.

"OFAC Sanctions Program" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx.

"Officer's Certificate" means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

"Plan" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"Preferred Stock" means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interests) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

"Private Placement" means a debt securities issuance by the Company to institutional investors pursuant to Section 4(a)(2) under the Securities Act and exempt from the registration requirements under the Securities Act. For the avoidance of doubt, the term "Private Placement" shall not include offerings of debt securities in reliance upon Rule 144A or Regulation S of the Securities Act.

"Private Rating Letter" means a letter issued by an NRSRO in connection with any private debt rating for the Debentures, which (a) sets forth the Debt Rating for the Debentures, (b) refers to the Private Placement Number issued by PPN CUSIP Unit of CUSIP Global Services (in cooperation with the SVO)in respect of the Debentures, (c) addresses the likelihood of payment of both principal and interest on the Debentures (which requirement shall be deemed satisfied if either (x) such letter includes confirmation that the rating reflects the NRSRO's assessment of the Company's ability to make timely payment of principal and interest on the Debentures or a similar statement or (y) such letter is silent as to the NRSRO's assessment of the likelihood of payment of both principal and interest and does not include any indication to the contrary), (d) includes such other information describing the relevant terms of the Debentures as may be required from time to time by the SVO or any other regulatory authority having jurisdiction over any holder of any Debentures, and (e) shall not be subject to confidentiality provisions which would prevent it from being shared with the SVO or any other regulatory authority having jurisdiction over any holder of any Debentures.

"Private Rating Rationale Report" means, with respect to any Private Rating Letter, a report issued by the NRSRO in connection with such Private Rating Letter setting forth an analytical review of the Debentures explaining the transaction structure, methodology relied upon, and, as appropriate, analysis of the credit, legal, and operational risks and mitigants supporting the assigned Private Rating for the Debentures, in each case, on the letterhead of the NRSRO or its controlled website and generally consistent with the work product that an NRSRO would produce for a similar publicly rated security and otherwise in form and substance generally required by the SVO or any other regulatory authority having jurisdiction over any holder of any Debentures from time to time.

"property" or "properties" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"Purchase Agreement" means that certain Debenture Purchase Agreement dated June 28, 2024 among the Company and the Purchasers named therein, whereby the Debentures were or will be issued and sold, including all schedules attached thereto, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Purchaser" or "Purchasers" means each of the purchasers that has executed and delivered the Purchase Agreement to the Company and such Purchaser's successors and assigns (so long as any such assignment complies with the terms hereof), *provided*, *however*, that any Purchaser of a Debenture that ceases to be the Holder thereof or a beneficial owner (through a nominee) of such Debenture as the result of a transfer thereof shall cease to be included within the meaning of "Purchaser" of such Debenture for the purposes hereof upon such transfer.

"Related Fund" means, with respect to any Holder of any Debenture, any fund or entity that (i) invests in Securities or bank loans, and (ii) is advised or managed by such Holder, the same investment advisor as such Holder or by an affiliate of such Holder or such investment advisor.

"Required Holders" means the Holders of more than 50% in principal amount of the Debentures at the time outstanding (exclusive of Debentures then owned by the Company or any of its Affiliates).

"Responsible Officer" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor by merger or consolidation to the business thereof.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

"Securities" or "Security" shall have the meaning specified in section 2(1) of the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"Senior Financial Officer" means the chief financial officer, the principal accounting officer, the treasurer, any assistant treasurer, the controller or any assistant controller of the Company.

"Significant Subsidiary" means at any time any Subsidiary that would at such time constitute a "significant subsidiary" (as such term is defined in Regulation S-X of the SEC as in effect on the date hereof) of the Company.

"Subsidiary" means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"Subsidiary Guarantor" means each Subsidiary that has executed and delivered a Subsidiary Guaranty.

"Subsidiary Guaranty" shall have the meaning set forth in Section 607(a) hereof.

"Swap Contract" means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including, but without limitation, any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

"Synthetic Lease" means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

"U.S. Economic Sanctions Laws" means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

"USA PATRIOT Act" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"Wholly-Owned Subsidiary" means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Subsidiaries at such time.

(b) Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein. The terms defined herein include the plural as well as the singular.

ARTICLE TWO.

TERMS OF THE DEBENTURES

SECTION 201. CREATION AND DESIGNATION OF THE DEBENTURES; AGGREGATE PRINCIPAL AMOUNT; MATURITY DATES.

(a) There is hereby authorized a series of Securities designated the "5.90% Debentures due 2031" (such series being, respectively, the "2031 Debentures"). The 2031 Debentures shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on July 15, 2031.

The 2031 Debentures shall be limited in an aggregate principal amount of $80,000,000, respectively, except as provided in Section 301(2) of the Indenture.

(b) There is hereby authorized a series of Securities designated the "6.00% Debentures due 2034" (such series being, respectively, the "2034 Debentures"). The 2034 Debentures shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on July 15, 2034.

The 2034 Debentures shall be limited in an aggregate principal amount of $95,000,000, respectively, except as provided in Section 301(2) of the Indenture.

(c) There is hereby authorized a series of Securities designated the "6.17% Debentures due 2039" (such series being, respectively, the "2039 Debentures"). The 2039 Debentures shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on July 15, 2039.

The 2039 Debentures shall be limited in an aggregate principal amount of $50,000,000, respectively, except as provided in Section 301(2) of the Indenture.

SECTION 202. DEBENTURES IN REGISTERED FORM; REGISTRATION GENERALLY.

(a) The Debentures of each series shall be issued only in the form of a separate, single, authenticated, fully registered debenture which (i) need not be in the form of a lithographed or engraved certificate, but may be typewritten or printed on ordinary paper or such paper as the Trustee may reasonably request, (ii) shall be executed by the Company and authenticated by the Trustee in accordance with the provisions of the Indenture and this Ninth Supplemental Indenture, and (iii) shall be registered in the name of the Purchasers thereof as directed by the Company.

(b) The name and address of each Holder of one or more Debentures, each transfer thereof and the name and address of each transferee of one or more Debentures shall be registered in the Security Register. If any Holder of one or more Debentures is a nominee, then (i) the name and address of the beneficial owner of such Debenture or Debentures shall also be registered in the Security Register as an owner and Holder thereof and (ii) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant hereto. Prior to due presentment for registration of transfer, the Person(s) in whose name any Debenture(s) shall be registered shall be deemed and treated as the owner and Holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any Holder of a Debenture that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Holders of Debentures.

SECTION 203. TRANSFER AND EXCHANGE OF DEBENTURES.

(a) Upon surrender of any Debenture to the Trustee for registration of transfer or exchange, within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided in the Indenture), one or more new Debentures of the same series (as requested by the Holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Debenture. Each such new Debenture shall be payable to such Person as such Holder may request. Debentures shall not be transferred in denominations of less than \$100,000, *provided* that if necessary to enable the registration of transfer by a Holder of its entire holding of Debentures, one Debenture may be in a denomination of less than \$100,000. Any transferee, by its acceptance of a Debenture registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Sections 6.1(b) and 6.2 of the Purchase Agreement.

(b) Notwithstanding the foregoing, the Company shall not effect any requested transfer of a Debenture unless such transfer is made (i) pursuant to an exemption from registration under the Securities Act or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable state securities laws and the securities laws of other jurisdictions. The Company shall not effect any requested transfer of a Debenture unless it has received: (x) a written instrument of transfer duly executed by the registered Holder of such Debenture or such Holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Debenture or part thereof and (y) unless such requested transfer is to be made pursuant to an effective registration statement, an opinion of counsel satisfactory to the Company that such transfer does not require registration under the Securities Act and other applicable laws.

SECTION 204. INTEREST RATES, INTEREST PAYMENT DATES AND REGULAR RECORD DATES; DEFAULT INTEREST.

(a) Interest on each of the 2031 Debentures shall be payable (i) on the principal amount thereof, semi-annually on January 15 and July 15 of each year (each an Interest Payment Date for the 2031 Debentures), commencing on January 15, 2025, at the rate of 5.90% per annum, from the date specified on the face of such 2031 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(b) Interest on each of the 2034 Debentures shall be payable (i) on the principal amount thereof, semi-annually on January 15 and July 15 of each year (each an "Interest Payment Date" for the 2034 Debentures), commencing on January 15, 2025, at the rate of 6.00% per annum, from the date specified on the face of such 2034 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(c) Interest on each of the 2039 Debentures shall be payable (i) on the principal amount thereof, semi-annually on January 15 and July 15 of each year (each an "Interest Payment Date" for the 2039 Debentures), commencing on January 15, 2025, at the rate of 6.17% per annum, from the date specified on the face of such 2039 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(d) The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the Person in whose name such Debenture is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day immediately preceding such Interest Payment Date. The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

(e) Changes in Interest Rate:

(1) If at any time an Investment Grade Event occurs, then:

(i) as of the date of the occurrence of an Investment Grade Event to and until the date on which such Investment Grade Event is no longer continuing (as evidenced by the receipt and delivery to the holders of the Debentures of any Debt Rating necessary to cure such Investment Grade Event), the Debentures shall bear interest at the Investment Grade Adjusted Interest Rate; and

(ii) the Company shall promptly, and in any event within five (5) Business Days after an Investment Grade Event has occurred, notify the holders of the Debentures in writing, sent in the manner provided in Section 18 of the Purchase Agreement, that (A) an Investment Grade Event has occurred and confirming the effective date of such Investment Grade Event and (B) the Investment Grade Adjusted Interest Rate will accrue from the date on which such Investment Grade Event occurred and will be payable on each subsequent interest payment date until such Investment Grade Event is no longer continuing.

(2) If at any time a Below Investment Grade Event occurs, then:

(i) as of the date of the occurrence of a Below Investment Grade Event to and until the date on which such Below Investment Grade Event is no longer continuing (as evidenced by the receipt and delivery to the holders of the Debentures of any Debt Rating necessary to cure such Below Investment Grade Event), the Debentures shall bear interest at the Below Investment Grade Event Adjusted Interest Rate; and

(ii) the Company shall promptly, and in any event within five (5) Business Days after a Below Investment Grade Event has occurred, notify the holders of the Debentures in writing, sent in the manner provided in Section 18 of the Purchase Agreement, that (A) a Below Investment Grade Event has occurred and confirming the effective date of such Below Investment Grade Event and (B) the Below Investment Grade Event will accrue from the date on which such Below Investment Grade Event occurred and will be payable on each subsequent interest payment date until such Below Investment Grade Event is no longer continuing.

(3) For the avoidance of doubt, if a Below Investment Grade Event is continuing, the Debentures shall bear interest at the Below Investment Grade Adjusted Interest Rate; *provided* that after such date if the Investment Grade Event shall continue, then the Debentures shall bear interest at the Investment Grade Adjusted Interest Rate.

(4) As used herein:

(A) "**Below Investment Grade Adjusted Interest Rate**" means the interest rate per annum which is 0.50% above the stated rate of the Debentures (or 0.50% above the Default Rate based on the stated interest rate for the Debenture, as the case may be). For the avoidance of doubt, the Below Investment Grade Adjusted Interest Rate shall not apply unless and until a Below Investment Grade Event has occurred.

(B) "**Below Investment Grade Event**" shall occur if, at any time after the Company has incurred, created or assumed a Basket Lien:

(i) the Debt Rating from any one of the two NRSROs that are in full force and effect (not having been withdrawn) are less than Investment Grade; or

(ii) the Company shall have failed to receive and deliver to the holders of the Debentures a Debt Rating from the two NRSROs as required by Section 612.

(C) "**Investment Grade**" means a rating of "BBB-" or "Baa3" (or its equivalent) by an NRSRO.

(D) "**Investment Grade Adjusted Interest Rate**" means the interest rate per annum which is 0.25% above the stated rate of the Debentures (or 0.25% above the Default Rate based on the stated interest rate for the Debenture, as the case may be). For the avoidance of doubt, the Investment Grade Adjusted Interest Rate shall not apply unless and until an Investment Grade Event has occurred.

(E) **"Investment Grade Event"** shall occur if, at any time after the Company has incurred, created or assumed a Basket Lien, (a) the Debt Rating from two NRSROs that are in full force and effect (not having been withdrawn) are Investment Grade or (b) the Debt Rating from one of the two NRSROs that are in full force and effect (not having been withdrawn) is Investment Grade and the Debt Rating from the other NRSRO that is in full force and effect (not having been withdrawn) is greater than Investment Grade.

SECTION 205. PLACE AND MANNER OF PAYMENT OF THE DEBENTURES.

(a) Subject to Section 205(b) hereof, payments of interest will be made by check mailed to the Holder of each Debenture at the address shown in the Security Register, and payments of the principal amount of each Debenture will be made at maturity by check against presentation of the Debenture at the office or agency of the Trustee. The Company may at any time, by notice to each Holder of a Debenture, change the place of payment of the Debentures so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

(b) So long as any Purchaser or its nominee shall be the Holder of any Debentures, and notwithstanding anything contained in the Indenture or in such Debentures to the contrary, the Company will pay, or will cause the Trustee to pay, all sums becoming due on such Debentures for principal, Redemption Price, if any, and interest by such other method or at such other address as such Purchaser shall have from time to time specified to the Trustee and the Company in writing for such purpose, without the presentation or surrender of such Debentures or the making of any notation thereon, except that upon written request of the Trustee, in its capacity as the Security Registrar made concurrently with or reasonably promptly after payment or redemption in full of any Debentures, such Purchaser shall surrender such Debentures for cancellation, reasonably promptly after any such request, to the Security Registrar at its principal executive office or at the place of payment designated for the Debentures in Section 205(a) hereof. Prior to any sale or other disposition of any Debentures held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Debentures to the Security Registrar in exchange for new Debentures pursuant to Section 305 of the Indenture. The Security Registrar will afford the benefits of this Section to any Institutional Investor that is the direct or indirect transferee of any Debentures purchased by a Purchaser and that has made the same agreement relating to such Debentures as the Purchasers have made in this Section.

SECTION 206. DENOMINATIONS OF DEBENTURES.

The Debentures shall be issued in denominations of at least $100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of Debentures.

SECTION 207. DEFEASANCE AND COVENANT DEFEASANCE SHALL NOT APPLY.

The Debentures shall not be subject to defeasance and covenant defeasance, at the Company's option, as provided for in Sections 1302 and 1303 of the Indenture.

SECTION 208. REDEMPTION PROVISIONS OF THE DEBENTURES.

(a) The Company has the right to redeem at any time all, or from time to time any part of, the Debentures at a Redemption Price equal to (1) 100% of the principal amount of the Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Debentures to be redeemed.

(b) All calculations relating to the Redemption Price will be performed by the Company. For purposes of determining the Redemption Price, the following terms have the following meanings:

"Make-Whole Amount" means, with respect to any Debenture, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Debenture over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero.

"Called Principal" means, with respect to any Debenture, the principal of such Debenture that is to be redeemed pursuant to this Section 208 or has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

"Discounted Value" means, with respect to the Called Principal of any Debenture, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Debentures is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the yield(s) reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities ("Reported") having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the yields Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then "Reinvestment Yield" means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release 1115 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

"Remaining Average Life" means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year composed of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any Debenture, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the Debentures, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date.

"Settlement Date" means, with respect to the Called Principal of any Debenture, the date on which such Called Principal is to be redeemed pursuant to this Section 208 or has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

(c) Partial Redemptions. Any partial redemption of the Debentures pursuant to Sections 208(a) or (b) hereof shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of such Debentures to be redeemed. In the case of each such partial redemption of the Debentures and, notwithstanding Section 1103 of the Indenture, the principal amount of the Debentures to be redeemed shall be allocated among all of the Debentures at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

(d) Notice of Redemption. Notice of redemption shall be given, by mail, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Debentures to be redeemed, at his or her address appearing in the Security Register, unless, notwithstanding Section 1104 of the Indenture, the Company, the Trustee and the Required Holders agree to another time period or another method of delivery. In addition to the requirements of said Section 1104, each such notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such redemption (calculated as if the date of such notice were the date of the redemption), setting forth the details of such computation. Two Business Days prior to such redemption, the Company shall deliver to each Holder of Debentures to be redeemed a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified redemption date.

(e) In the case of each optional redemption, the Debentures to be redeemed shall, on the Redemption Date, become due and payable at the applicable Redemption Price, together with interest on the principal amount thereof. Unless the Company defaults in payment of the Redemption Price therefor and accrued interest, on and after any Redemption Date therefor, interest will cease to accrue on the Debentures or portions thereof called for redemption.

(f) The Company will not, and will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Debentures except (a) upon the payment or redemption of the Debentures in accordance with this Section 208, or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro-rata to the Holders of all Debentures at the time outstanding upon the same terms and conditions. Any such offer shall provide each Holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 15 Business Days. If the Holders of more than 25% of the principal amount of the Debentures then outstanding accept such offer, the Company shall promptly notify the remaining Holders of such fact and the expiration date for the acceptance by Holders of Debentures of such offer shall be extended by the number of, days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Debentures acquired by it or any Affiliate pursuant to any payment, redemption or purchase of Debentures pursuant to this Section 208 and no Debentures may be issued in substitution or exchange for any such Debentures.

(g) The Company shall indemnify and hold harmless the Trustee from any and all losses, costs, damages, expenses, fees (including reasonable attorneys' fees), court costs, judgments, penalties, obligations, suits, disbursements and liabilities of any kind or character whatsoever which may at any time be imposed upon, incurred by or asserted against the Trustee by reason of or arising out of or caused, directly or indirectly, by any act or omission of the Trustee with respect to this Section 208, except for such that would arise out of the gross negligence, willful misconduct or bad faith of the Trustee.

SECTION 209. FORM OF DEBENTURES OF EACH SERIES.

The Debentures of each series and the respective Trustee's certificate to be endorsed thereon shall be substantially in the following forms:

(FORM OF FACE OF 2031 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-	$____________
PPN 26442L E@9	____________, 20__

DUKE ENERGY KENTUCKY, INC.
5.90% DEBENTURE DUE 2031

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to ____________________, or registered assigns, the principal sum of ____________________ Dollars ($__________) on July 15, 2031, and to pay interest (a) thereon from June 28, 2024, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on January 15 and July 15 in each year, commencing January 15, 2025, at the rate of 5.90% per annum, as may be adjusted in accordance with Section 204 of the the Ninth Supplemental Indenture, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 7.90%, as may be adjusted in accordance with Section 204 of the the Ninth Supplemental Indenture.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either

be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By:__________________________________

CERTIFICATE OF AUTHENTICATION

Dated: ____________, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By:________________________________
Authorized Signatory

(FORM OF REVERSE OF 2031 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Ninth Supplemental Indenture dated as of June 28, 2024 (the "Indenture"), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

The Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amouut determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions

permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least $100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this

Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

(FORM OF FACE OF 2034 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R- $________________
PPN 26442L E#7 ________________, 20__

DUKE ENERGY KENTUCKY, INC.
6.00% DEBENTURE DUE 2034

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to ____________________________, or registered assigns, the principal sum of ____________________________ Dollars ($____________) on July 15, 2034, and to pay interest (a) thereon from June 28, 2024, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on January 15 and July 15 in each year, commencing January 15, 2025, at the rate of 6.00% per annum, as may be adjusted in accordance with Section 204 of the the Ninth Supplemental Indenture, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 8.00%, as may be adjusted in accordance with Section 204 of the the Ninth Supplemental Indenture.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either

be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By:____________________________________

CERTIFICATE OF AUTHENTICATION

Dated: ____________, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By:____
Authorized Signatory

(FORM OF REVERSE OF 2034 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Ninth Supplemental Indenture dated as of June 28, 2024 (the "Indenture"), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

The Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions

permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least $100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this

Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any snch agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

(FORM OF FACE OF 2039 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R- $________________
PPN 26442L F*0 ________________, 20__

DUKE ENERGY KENTUCKY, INC.
6.17% DEBENTURE DUE 2039

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to ____________________________, or registered assigns, the principal sum of ____________________________ Dollars ($____________) on July 15, 2039, and to pay interest (a) thereon from June 28, 2024, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on January 15 and July 15 in each year, commencing January 15, 2025, at the rate of 6.17% per annum, as may be adjusted in accordance with Section 204 of the the Ninth Supplemental Indenture, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 8.17%, as may be adjusted in accordance with Section 204 of the the Ninth Supplemental Indenture.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either

be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By:______________________________

CERTIFICATE OF AUTHENTICATION

Dated: ____________, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By:____________________________________
Authorized Signatory

(FORM OF REVERSE OF 2039 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Ninth Supplemental Indenture dated as of June 28, 2024 (the "Indenture"), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

The Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions

permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least $100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this

Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ARTICLE THREE.

ORIGINAL ISSUE OF DEBENTURES

An initial issue of the Debentures in the aggregate principal amount of $80,000,000 for the 2031 Debentures, $95,000,000 for the 2034 Debentures and $50,000,000 for the 2039 Debentures may, upon execution of this Supplemental Indenture, or from time to time hereafter, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures upon receipt of a Company Order, an Officers' Certificate and an Opinion of Counsel.

ARTICLE FOUR.

PAYING AGENT AND SECURITY REGISTRAR

Deutsche Bank Trust Company Americas will be the Paying Agent and Security Registrar for the Debentures.

ARTICLE FIVE.

DEFAULTS AND REMEDIES

SECTION 501. ADDITIONAL EVENTS OF DEFAULT.

In addition to those Events of Default set forth in Section 501 of the Indenture, the following events shall also be Events of Default with respect to the Debentures:

(a) the Company defaults in the performance of or compliance with any term contained in Sections 601(a)(iv), 608, 609 or 610 hereof; or

(b) (i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in the Purchase Agreement or any writing furnished in connection with the transactions contemplated thereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) so long as the obligation or condition giving rise to the requirement for a Subsidiary Guaranty under Section 607 hereof remains in effect, any representation or warranty made in writing by or on behalf of any Subsidiary Guarantor or by any officer of such Subsidiary Guarantor in any Subsidiary Guaranty or any writing furnished in connection with such Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(c) (i) the Company or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least $50,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least $50,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(d) one or more final judgments or orders for the payment of money aggregating in excess of $50,000,000, including, without limitation, any such final order enforcing a binding arbitration decision, are rendered against one or more of the Company and its Subsidiaries, (i) which judgments are not, within 60 days after entry thereof, bonded, vacated, satisfied, discharged or stayed pending appeal, or (ii) which judgments are not discharged within 60 days after the expiration of such stay; or

(e) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed an amount that could reasonably be expected to have a Material Adverse Effect, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect. As used in this Section 501(e), the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in section 3 of ERISA; or

(f) so long as the obligation or condition giving rise to the requirement for a Subsidiary guaranty under Section 607 hereof remains in effect, (i) any Subsidiary Guaranty shall cease to be in full force and effect, (ii) any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall contest in any manner the validity, binding nature or enforceability of any Subsidiary Guaranty, or (iii) the obligations of any Subsidiary Guarantor under any Subsidiary Guaranty are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Subsidiary Guaranty.

SECTION 502. REMEDY TO ALSO INCLUDE MAKE-WHOLE AMOUNT.

Upon any Debentures becoming due and payable as a result of Section 502 of the Indenture, whether automatically or by declaration, such Debentures will forthwith mature and the entire unpaid principal amount of such Debentures, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount, determined pursuant to Section 208(b) hereof, in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges that each Holder of a Debenture has the right to maintain its investment in the Debentures free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Debentures are redeemed or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

ARTICLE SIX.

COVENANTS

In addition to the covenants set forth in Article Ten of the Indenture, the Company covenants that so long as any of the Debentures are outstanding:

SECTION 601. INFORMATION ABOUT THE COMPANY.

(a) Financial and Business Information. The Company shall deliver to the Trustee and to each Purchaser and each Holder of a Debenture that is an Institutional Investor:

(i) *Quarterly Statements*. Within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter; and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter;

which set forth in each case, in comparative form, the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments;

(ii) *Annual Statements*. Within 120 days after the end of each fiscal year of the Company, copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year, which set forth in each case, in comparative form, the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon (without a "going concern" or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based) of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances;

(iii) *SEC and Other Reports*. Promptly upon their becoming available, copies of (A) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to its public Securities holders generally, and (B) each regular or periodic report, each registration statement that shall have become effective (without exhibits except as expressly requested by such Purchaser or Holder), and each final prospectus and all amendments thereto filed by the Company or any Subsidiary with the SEC;

(iv) *Notice of Default or Event of Default*. Promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(v) *ERISA Matters*. Promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(A) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(B) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(C) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or lien, taken together with any other such liabilities or liens then existing, would reasonably be expected to have a Material Adverse Effect; and

(vi) *Requested Information*. With reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Debentures as from time to time may be reasonably requested by any such Purchaser or Holder of a Debenture.

(b) Officer's Certificate. Each set of financial statements delivered to a Purchaser or a Holder of a Debenture pursuant to Sections 601(a) or (b) hereof shall be accompanied by a certificate of a Senior Financial Officer certifying that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

(c) Electronic Delivery. Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to clauses (i), (ii) or (iii) of Section 601(a) hereof and Section 601(b) hereof shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(i) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are delivered to each Purchaser and each Holder of a Debenture by e-mail;

(ii) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are timely posted by or on behalf of the Company on Intralinks or on any other similar website to which each Purchaser and each Holder of Debentures has free access; or

(iii) the Company shall have filed any of the items referred to in clause (iii) of Section 601(a) hereof with the SEC on EDGAR and shall have made such items available on its home page on the internet or on Intralinks or on any other similar website to which each Purchaser and Holder of Debentures has free access;

provided, however, that in the case of delivery under clauses (ii) or (iii) of this Section 601(c), the Company shall have given each Purchaser and each Holder of a Debenture written notice, which may be by e-mail, of such posting or filing in connection with each delivery.

SECTION 602. VISITATION.

The Company shall permit the representatives of each Purchaser and each Holder of a Debenture that is an Institutional Investor:

(a) *No Default.* If no Default or Event of Default then exists, at the expense of such Holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times as may be reasonably requested in writing; *provided* that each Purchaser and each Holder shall be limited to one visit during any twelve-month period; and

(b) *Default.* If a Default or an Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

SECTION 603. COMPLIANCE WITH LAWS.

Without limiting Section 609 hereof, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations relating to U.S. Economic Sanctions Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, except, in each case, where (i) non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not reasonably be expected to have a Material Adverse Effect, or (ii) the necessity of compliance with such laws, ordinances or governmental rules or regulations are being contested in good faith by appropriate proceedings.

SECTION 604. INSURANCE.

The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated. Upon request, the Company will provide written evidence of its or its Subsidiaries' insurance to the Trustee.

SECTION 605. CORPORATE EXISTENCE, ETC.

Subject to Article Eight of the Indenture, the Company will at all times preserve and keep in full force and effect, and will cause each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) to preserve and keep in full force and effect, their respective legal existence and their respective rights and franchises unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such legal existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 606. BOOKS AND RECORDS.

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be. The Company will, and will cause each of its Subsidiaries to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets. The Company and its Subsidiaries have devised a system of internal accounting controls sufficient to provide reasonable assurances that their respective books, records, and accounts accurately reflect all transactions and dispositions of assets and the Company will, and will cause each of its Subsidiaries to, continue to maintain such system.

SECTION 607. SUBSIDIARY GUARANTORS.

The Company will cause each of its Subsidiaries that guarantees or otherwise becomes liable at any time, whether as a borrower or an additional or co-borrower or otherwise, for or in respect of any Indebtedness under any Material Credit Facility to concurrently therewith:

(a) enter into an agreement in form and substance satisfactory to the Trustee and the Required Holders providing for the guaranty by such Subsidiary, on a joint and several basis with all other such Subsidiaries, of (i) the prompt payment in full when due of all amounts payable by the Company pursuant to the Debentures (whether for principal, interest, the Redemption Price or otherwise), including, without limitation, all indemnities, fees and expenses payable by the Company thereunder and (ii) the prompt, full and faithful performance, observance and discharge by the Company of each and every covenant, agreement, undertaking and provision required pursuant to the Debentures be performed, observed or discharged by it (a "Subsidiary Guaranty"); and

(b) deliver the following to each Purchaser and each Holder of a Debenture:

(i) an executed counterpart of such Subsidiary Guaranty;

(ii) a certificate signed by an authorized responsible officer of such Subsidiary containing representations and warranties on behalf of such Subsidiary as to organization, power, authority and compliance with laws with respect to such Subsidiary Guaranty in form and substance satisfactory to the Trustee and the Required Holders;

(iii) all documents as may be reasonably requested by the Trustee or the Required Holders to evidence the due organization, continuing existence and good standing of such Subsidiary and the due authorization by all requisite action on the part of such Subsidiary of the execution and delivery of such Subsidiary Guaranty and the performance by such Subsidiary of its obligations thereunder; and

(iv) an opinion of counsel reasonably satisfactory to the Trustee and the Required Holders covering such matters relating to such Subsidiary and such Subsidiary Guaranty as the Trustee or the Required Holders may reasonably request.

SECTION 608. LINE OF BUSINESS.

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date hereof.

SECTION 609. TERRORISM SANCTIONS REGULATIONS.

The Company will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would cause any holder or any affiliate of such holder to be in violation of, or subject to sanctions under, any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions Laws.

SECTION 610. NEGATIVE PLEDGE.

(a) While any of the Debentures remain outstanding, the Company shall not create, or permit to be created or to exist, any mortgage, lien, pledge, security interest or other encumbrance upon any of its property, whether owned on or acquired after the date hereof, to secure any indebtedness for borrowed money of the Company, unless the Debentures then outstanding are equally and ratably secured for so long as any such indebtedness is so secured.

(b) The restrictions of Section 610(a) hereof shall not apply with respect to, among other things:

(i) liens on property that existed when the Company acquired or constructed the property or were created within one year thereafter;

(ii) liens on property that secure payment of all or part of the purchase price or construction cost of the property, including the extension of any liens to repairs or improvements made on the property;

(iii) the pledge of any bonds or other securities at any time issued under any of the liens permitted by clauses (i) or (ii) above;

(iv) liens for taxes, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(v) mechanics', workmen's, repairmen's, materialmen's, warehousemen's, and carriers' liens, other liens incident to construction, liens or privileges of any employees of the Company for salary or wages earned, but not yet payable, and other liens, including without limitation liens for worker's compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(vi) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings in an amount not exceeding the greater of (A) Fifty Million Dollars ($50,000,000) and (B) three percent (3%) of the principal amount of the Securities then Outstanding;

(vii) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings with respect to which the Company shall (A) in good faith be prosecuting an appeal or other proceeding for review and with respect to which the Company shall have secured a stay of execution pending such appeal or other proceeding or (B) have the right to prosecute an appeal or other proceeding for review or (C) have not received at least ten Business Days' notice given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(viii) easements, leases, reservations or other rights of others in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, the property of the Company or any part thereof;

(ix) liens, defects, irregularities, exceptions and limitations in (A) title to real property subject to rights-of-way in favor of the Company or otherwise or used or to be used by the Company primarily for right-of-way purposes; (B) real property held under lease, easement, license or similar right; or (C) the rights-of-way, leases, easements, licenses or similar rights in favor of the Company; and defects, irregularities, exceptions and limitations in title to flood lands, flooding rights aud/or water rights;

(x) liens securing indebtedness or other obligations neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest upon real property or rights in or relating to real property acquired by the Company for the purpose of the generation of electric energy or the transmission or distribution of electric energy, gas or water, or for the purpose of telephonic, telegraphic, radio, wireless or other electronic communication, or otherwise for the purpose of obtaining rights-of-way;

(xi) leases existing at the date hereof affecting properties owned by the Company at said date and renewals and extensions thereof; and leases affecting such properties entered into after such date or affecting properties acquired by the Company after such date which, in either case, (A) have respective terms of not more than ten years (including extensions or renewals at the option of the tenant) or (B) do not materially impair the use by the Company of such properties for the respective purposes for which they are held by the Company;

(xii) liens vested in lessors, licensors, franchisors or permitters for rent or other amounts to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses, franchises or permits, so long as the payment of such rent or other amounts or the performance of such other obligations or acts is not delinquent or is being contested in good faith and by appropriate proceedings;

(xiii) liens securing industrial revenue or pollution control bonds issued to finance any of the Company's pollution control, sewage or solid waste disposal facilities;

(xiv) controls, restrictions, obligations, duties and/or other burdens imposed by federal, state, municipal or other law, or by rules, regulations or orders of the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any thereof, or any department, agency, authority or other instrumentality of any of the foregoing (collectively, "Governmental Authorities"), upon the Company's property or any part thereof or the operation or use thereof or upon the Company with respect to the Company's property or any part thereof or the operation or use thereof or with respect to any franchise, grant, license, permit or public purpose requirement, or any rights reserved to or otherwise vested in Governmental Authorities to impose any such controls, restrictions, obligations, duties and/or other burdens;

(xv) rights which Governmental Authorities may have by virtue of franchises, grants, licenses, permits or contracts, or by virtue of law, to purchase, recapture or designate a purchaser of or order the sale of the Company's property or any part thereof, to terminate franchises, grants, licenses, permits, contracts or other rights or to regulate the property and business of the Company; and any and all obligations of the Company correlative to any such rights;

(xvi) liens required by law or governmental regulations (A) as a condition to the transaction of any business or the exercise of any privilege or license, (B) to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks, (C) in connection with workmen's compensation, unemployment insurance, social security, any pension or welfare benefit plan or (D) to share in the privileges or benefits required for companies participating in one or more of the arrangements described in sub-clauses (B) and (C) above;

(xvii) liens on the Company's property or any part thereof which are granted by the Company to secure duties or public or statutory obligations or to secure, or serve in lieu of, surety, stay or appeal bonds;

(xviii) rights reserved to or vested in others to take or receive any part of any coal, ore, gas, oil and other minerals, any timber and/or any electric capacity or energy, gas, water, steam and any other products, developed, produced, manufactured, generated, purchased or otherwise acquired by the Company or by others on property of the Company;

(xix) (A) rights and interests of Persons other than the Company arising out of contracts, agreements and other instruments to which the Company is a party and which relate to the common ownership or joint use of property; and (B) all liens on the interests of Persons other than the Company in property owned in common by such Persons and the Company if and to the extent that the enforcement of such liens would not adversely affect the interests of the Company in such property in any material respect;

(xx) any restrictions on assignment and/or requirements of any assignee to qualify as a permitted assignee and/or public utility or public service corporation; and

(xxi) any liens which have been bonded for the full amount in dispute or for the payment of which other adequate security arrangements have been made.

(c) Notwithstanding the foregoing, so long as the Company is in compliance with Section 612 and the interest rate adjustments, if applicable, in Section 204(e) hereof, the Company may create or assume any other mortgage, lien, pledge, security interest or other encumbrance not otherwise excepted under Section 610(b) hereof without equally (in an amount equal to the aggregate principal amount of the lesser of (x) the indebtedness secured by such newly created or assumed mortgage, lien, pledge, security interest or other encumbrance or (y) the Debentures then outstanding) and ratably (with the same priority as such newly created or assumed mortgage, lien, pledge, security interest or other encumbrance) securing the Debentures (a "Basket Lien"). Any such documentation evidencing the securing of the Debentures shall be reasonably acceptable to the Required Holders in substance and in form.

SECTION 611. INDEBTEDNESS TO CAPITALIZATION RATIO.

The Company will not permit the ratio of Consolidated Indebtedness to Consolidated Capitalization as at the end of any fiscal quarter of the Company to exceed 65%.

SECTION 612. RATING.

(a) If the Company has incurred, created or assumed a Basket Lien, the Company shall promptly (and, in any event within 30 days after such incurrence, creation and/or assumption) procure and deliver to the holders of the Debentures current Debt Ratings from the two NRSROs

(b) At any time that the Debt Rating maintained pursuant to clause (a) above is not a public rating, the Company will provide to each holder of a Debenture (x) at least annually (on or before each anniversary of the date of this Agreement) and (y) as soon as available, which in any event shall not be later than the next annual anniversary date, upon any change in such Debt Rating, a Private Rating Letter evidencing such Debt Rating and a Private Rating Rationale Report with respect to such Debt Rating. In addition to the foregoing information, if the SVO or any other regulatory authority having jurisdiction over any holder of any Debentures from time to time requires any additional information with respect to the Debt Rating, the Company shall use commercially reasonable efforts to procure such information from the NRSRO.

SECTION 613. CHANGE OF CONTROL.

While any series of the Debentures is outstanding, if the Company issues debt securities in a Private Placement pursuant to a note purchase agreement, debenture purchase agreement, indenture or supplemental indenture (or any amendment to any of the foregoing) (each, a "Private Debt Agreement"), which Private Debt Agreement contains any MFL Change of Control which is not otherwise included in this Ninth Supplemental Indenture, then a Senior Financial Officer of the Company shall promptly (but in any event within ten Business Days from the occurrence thereof) provide written notice thereof to the holders of Debentures, which notice shall refer specifically to this Section 613 and describe in reasonable detail the MFL Change of Control and the relevant triggering events and rights and obligations flowing therefrom. Thereupon, unless waived in writing by the Required Holders within ten Business Days of the holders' receipt of such notice, such MFL Change of Control shall be deemed incorporated by reference into this Ninth Supplemental Indenture, *mutatis mutandis,* as if set forth fully herein effective as of the date when such MFL Change of Control became effective under the applicable Private Debt Agreement.

ARTICLE SEVEN.

AMENDMENTS TO INDENTURE.

(a) Section 501(1) of the Indenture is replaced in its entirety with the following:

"(1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 5 days"

For the avoidance of doubt, the above amendment shall only apply to the Debentures issued under this Ninth Supplemental Indenture.

(b) Section 603 of the Indenture is hereby amended by adding the following new paragraphs (8), (9) and (10):

"(8) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(9) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; the rights, privileges,

protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(10) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances."

ARTICLE EIGHT.

MISCELLANEOUS

SECTION 801. INDENTURE RATIFIED AND CONFIRMED.

The Indenture, as amended and supplemented by this Ninth Supplemental Indenture, is in all respects ratified and confirmed, and this Ninth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Ninth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company. The Trustee accepts the trusts created by the Indenture, as amended and supplemented by this Ninth Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as amended and supplemented by this Ninth Supplemental Indenture. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers, and duties of the Trustee shall be applicable in respect of the Ninth Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

SECTION 802. EXECUTION IN COUNTERPARTS

This Ninth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 803. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Ninth Supplemental Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 804. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Ninth Supplemental Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 805. SEPARABILITY.

In case any provision in this Ninth Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 806. BENEFITS OF INDENTURE.

Nothing in this Ninth Supplemental Indenture or the Debentures, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any Debentures, any benefit or any legal or equitable right, remedy or claim under this Ninth Supplemental Indenture.

SECTION 807. GOVERNING LAW.

This Ninth Supplemental Indenture and the Debentures shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 808. USA PATRIOT ACT.

The parties hereto acknowledge that in accordance with Section 326 of the USA PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account. The Company agrees that it will cause Holders of the Debentures to provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

SECTION 809. ELECTRONIC SIGNATURES.

The parties agree to electronic contracting and signatures with respect to this Ninth Supplemental Indenture and the other documents delivered in connection herewith (other than the Debentures). Delivery of an electronic signature to, or a signed copy of, this Ninth Supplemental Indenture and such other documents (other than the Debentures) by facsimile, email or other electronic transmission shall be fully binding on the parties to the same extent as the delivery of the signed originals and shall be admissible into evidence for all purposes. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Ninth Supplemental Indenture and the other documents (other than the Debentures) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Company, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Notwithstanding the foregoing, if the Company shall request manually signed counterpart signatures to this Ninth Supplemental Indenture or any other document delivered in connection herewith, the Trustee hereby agrees to use its reasonable endeavors to provide such manually signed signature pages as soon as reasonably practicable.

IN WITNESS WHEREOF, the parties hereto have caused this Ninth Supplemental Indenture to be duly executed as of the day and year first above written.

DUKE ENERGY KENTUCKY, INC.

By: ______________________________
Name: Chris R. Bauer
Title: Assistant Treasurer

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

DocuSigned by:
Carol Ng
738039448A5B420...

By: ______________________
Name:
Title:

DocuSigned by:
Irina G
0554C4BAE86D450...

By: ______________________
Name: Irina Golovashchuk
Title: Vice President

Carol Ng
Vice President

DUKE ENERGY KENTUCKY
CASE NO. 2024-00354
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(k)

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807 KAR 5:001, SECTION 16(7)(k)

Description of Filing Requirement:

The most recent FERC Financial Report FERC Form No.1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone).

Response:

See attached.

Witness Responsible:

Danielle L. Weatherston

THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

Exact Legal Name of Respondent (Company)	Year/Period of Report
Duke Energy Kentucky, Inc.	End of: 2023/ Q4

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities, Licensees, and Others Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

one million megawatt hours of total annual sales,

100 megawatt hours of annual sales for resale,

500 megawatt hours of annual power exchanges delivered, or

500 megawatt hours of annual wheeling for others (deliveries plus losses).

What and Where to Submit

Submit FERC Form Nos. 1 and 3-Q electronically through the eCollection portal at https://eCollection.ferc.gov, and according to the specifications in the Form 1 and 3-Q taxonomies.

The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:
Secretary
Federal Energy Regulatory Commission 888 First Street, NE
Washington, DC 20426

For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

Schedules	Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert

the List of Schedules, pages 2 and 3.

Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below).

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and" firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of [COMPANY NAME] for the year ended on which we have reported separately under date of [DATE], we have also reviewed schedules [NAME OF SCHEDULES] of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases." The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. Further instructions are found on the Commission's website at https://www.ferc.gov/ferc-online/ferc-online/frequently-asked-questions-faqs-efilingferc-online.

Federal, State, and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from https://www.ferc.gov/general-information-0/electric-industry-forms.

When to Submit

FERC Forms 1 and 3-Q must be filed by the following schedule:

FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

'Person' means an individual or a corporation;

'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; ......

"project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

'To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304.

Every Licensee and every public utility shall file with the Commission such annual and other periodic or special" reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies".10

"Sec. 309.

The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on

GENERAL PENALTIES

The Commission may assess up to $1 million per day per violation of its rules and regulations. See FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

FERC FORM NO. 1 REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER		
IDENTIFICATION		
01 Exact Legal Name of Respondent Duke Energy Kentucky, Inc.		02 Year/ Period of Report End of: 2023/ Q4
03 Previous Name and Date of Change (If name changed during year) /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 1262 Cox Road, Erlanger, KY 41018		
05 Name of Contact Person Danielle Weatherston		06 Title of Contact Person Accounting Manager II
07 Address of Contact Person (Street, City, State, Zip Code) 525 S. Tryon Street, Charlotte, NC 28202		
08 Telephone of Contact Person, Including Area Code 980-373-1697	09 This Report is An Original / A Resubmission (1) ☑ An Original (2) ☐ A Resubmission	10 Date of Report (Mo, Da, Yr) 04/15/2024
Annual Corporate Officer Certification		
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
01 Name Cynthia S. Lee	03 Signature Cynthia S. Lee	04 Date Signed (Mo, Da, Yr) 04/15/2024
02 Title VP, CAO, and Controller		
Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

26	Transmission Service and Generation Interconnection Study Costs	231	N/A
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254b	N/A
33	Long-Term Debt	256	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262	
36	Accumulated Deferred Investment Tax Credits	266	
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272	
39	Accumulated Deferred Income Taxes-Other Property	274	
40	Accumulated Deferred Income Taxes-Other	276	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300	
43	Regional Transmission Service Revenues (Account 457.1)	302	
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310	
46	Electric Operation and Maintenance Expenses	320	
47	Purchased Power	326	
48	Transmission of Electricity for Others	328	
49	Transmission of Electricity by ISO/RTOs	331	N/A
50	Transmission of Electricity by Others	332	
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant (Account 403, 404, 405)	336	
53	Regulatory Commission Expenses	350	
54	Research, Development and Demonstration Activities	352	
55	Distribution of Salaries and Wages	354	
56	Common Utility Plant and Expenses	356	
57	Amounts included in ISO/RTO Settlement Statements	397	
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	N/A

60	Monthly ISO/RTO Transmission System Peak Load	400a	N/A
61	Electric Energy Account	401a	
62	Monthly Peaks and Output	401b	
63	Steam Electric Generating Plant Statistics	402	
64	Hydroelectric Generating Plant Statistics	406	N/A
65	Pumped Storage Generating Plant Statistics	408	N/A
66	Generating Plant Statistics Pages	410	N/A
66.1	Energy Storage Operations (Large Plants)	414	N/A
66.2	Energy Storage Operations (Small Plants)	419	N/A
67	Transmission Line Statistics Pages	422	
68	Transmission Lines Added During Year	424	
69	Substations	426	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	
	Stockholders' Reports (check appropriate box)		
	Stockholders' Reports Check appropriate box: ☐ Two copies will be submitted ☐ No annual report to stockholders is prepared		

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Cynthia S. Lee

Vice President, Chief Accounting Officer and Controller

525 S. Tryon Street, Charlotte, NC 28202

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Incorporation: KY

Date of Incorporation: 1901-03-20

Incorporated Under Special Law:

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

(a) Name of Receiver or Trustee Holding Property of the Respondent: N/A

(b) Date Receiver took Possession of Respondent Property:

(c) Authority by which the Receivership or Trusteeship was created: N/A

(d) Date when possession by receiver or trustee ceased:

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Kentucky - Gas and Electric

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) ☐ Yes

(2) ☑ No

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Duke Energy Kentucky, Inc is a wholly owned subsidiary of Duke Energy Ohio, Inc. Duke Energy Ohio, Inc. is a wholly owned subsidiary of Cinergy Corp. , which is a wholly owned subsidiary of Duke Energy Corporation.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	N/A			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)	Date Started in Period (d)	Date Ended in Period (e)
1	Executive Vice President, Chief Legal Officer and Corporate Secretary	Kodwo Ghartey-Tagoe			
2	Senior Vice President	R. Alexander Glenn			2023-03-01
3	Executive Vice President	R. Alexander Glenn		2023-03-01	
4	Chief Executive Officer	Lynn J. Good			
5	Executive Vice President and Chief Operating Officer	Dhiaa M. Jamil			2023-06-30
6	Executive Vice President	Julie S. Janson			
7	Vice President, Chief Accounting Officer and Controller	Cynthia S. Lee			
8	Senior Vice President, Corporate Development and Treasurer	Karl W. Newlin			
9	Senior Vice President and Chief Human Resources Officer	Ronald R. Reising			2023-03-01
10	Executive Vice President and Chief Human Resources Officer	Ronald R. Reising		2023-03-01	2023-12-31
11	Senior Vice President, External Affairs and Communications	Louis E. Renjel			2023-03-01
12	Executive Vice President, External Affairs and Communications	Louis E. Renjel		2023-03-01	
13	Executive Vice President and Chief Financial Officer	Brian D. Savoy			
14	Executive Vice President, Customer Experience, Solutions, and Services	Harry K. Sideris			
15	President	Amy B. Spiller			
16	Executive Vice President and Chief Commercial Officer	Steven K. Young			
17	Executive Vice President, Chief Generation Officer and Enterprise Operational Excellence	T. Preston Gillespie Jr.		2023-01-01	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), name and abbreviated titles of the directors who are officers of the respondent.
2. Provide the principle place of business in column (b), designate members of the Executive Committee in column (c), and the Chairman of the Executive Committee in column (d).

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)	Member of the Executive Committee (c)	Chairman of the Executive Committee (d)
1	R. Alexander Glenn, Executive Vice President	525 S. Tryon Street, Charlotte, NC 28202	true	
2	Lynn J. Good, Chief Executive Officer	525 S. Tryon Street, Charlotte, NC 28202		true
3	Kodwo Ghartey-Tagoe, Executive Vice President, Chief Legal Officer and Corporate Secretary	525 S. Tryon Street, Charlotte, NC 28202	true	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

INFORMATION ON FORMULA RATES

Does the respondent have formula rates?	☐ Yes ☑ No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number (a)	FERC Proceeding (b)
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Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

INFORMATION ON FORMULA RATES - FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	☑ Yes ☐ No

If yes, provide a listing of such filings as contained on the Commission's eLibrary website.

Line No.	Accession No. (a)	Document Date / Filed Date (b)	Docket No. (c)	Description (d)	Formula Rate FERC Rate Schedule Number or Tariff Number (e)
1	20120515-5244	05/15/2012	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
2	20130129-5070	01/29/2013	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
3	20130515-5122	05/15/2013	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
4	20140515-5149	05/15/2014	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
5	20150515-5244	05/15/2015	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
6	20150617-5152	06/17/2015	ER15-1932-000	Section 205	PJM OATT, Attachment H-22A
7	20160513-5092	05/13/2016	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
8	20161130-5416	11/30/2016	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
9	20170509-5150	05/09/2017	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
10	20180129-5213	01/29/2018	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
11	20180402-5140	04/02/2018	ER18-1274-000	Section 205	PJM OATT, Attachment H-22A & H-22B
12	20180515-5331	05/15/2018	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
13	20181214-5040	12/14/2018	ER19-555-000	Section 205	PJM OATT, Attachment H-22A
14	20190329-5217	03/29/2019	ER19-1483-000	Section 205	PJM OATT, Attachment H-22A
15	20190515-5112	05/15/2019	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
16	20200207-5054	02/07/2020	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
17	20200515-5123	05/15/2020	ER20-1832-000	Order No. 864 Compliance Filing	PJM OATT, Attachment H-22A
18	20200515-5294	05/15/2020	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A

19	20210115-5207	01/15/2021	ER20-1832-001	Order No. 864 Compliance Filing	PJM OATT, Attachment H-22A
20	20210121-5326	01/21/2021	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
21	20210316-5124	03/16/2021	ER21-1450-000	Section 205	PJM OATT, Attachment H-22A
22	20210517-5120	05/17/2021	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
23	20220118-5334	01/18/2022	ER12-91-000	Formula Rate Annual Update Corrected	PJM OATT, Attachment H-22A
24	20220315-5149	03/15/2022	ER-22-1338-000	Section 205	PJM OATT, Attachment H-22A
25	20220321-5144	03/21/2022	ER20-1832-002	Order No. 864 Compliance Filing	PJM OATT, Attachment H-22A
26	20220516-5130	05/16/2022	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A
27	20221121-5093	11/21/2022	ER23-470-000	Section 205	PJM OATT, Attachment H-22A
28	20230321-3075	03/21/2023	ER23-1045-000	Section 205	PJM OATT, Attachment H-22A
29	20230515-5331	05/15/2023	ER12-91-000	Formula Rate Annual Update	PJM OATT, Attachment H-22A

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

INFORMATION ON FORMULA RATES - Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s). (a)	Schedule (b)	Column (c)	Line No. (d)
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Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Pages 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

None

See Notes to Financial Statements, Note 1, "Summary of Significant Accounting Policies"

See Notes to Financial Statements, Note 2, "Regulatory Matters"

None

There are no changes to report during the fourth quarter 2023.

There are no changes to report during the third quarter 2023.

During the second quarter 2023, Project 138 kV F23983 Woodspoint to Aero was completed, in-service date of April 26, 2023.

There are no changes to report during the first quarter 2023.

See Notes to Financial Statements, Note 5, "Debt and Credit Facilities"

None

During the fourth quarter 2023, there were no large scale wage changes to report.

During the third quarter 2023, there were no large scale wage changes to report.

During the second quarter 2023, there were no large scale wage changes to report.

During the first quarter 2023, there were no large scale wage changes to report.

See Notes to Financial Statements, Note 2, "Regulatory Matters" and Note 3,"Commitments and Contingencies"

None

None

There are no changes to major security holders and voting powers of Duke Energy Kentucky, Inc. that occurred during the fourth quarter 2023.

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the fourth quarter 2023 are as follows:

Resignations effective 12/31/2023	
Larry E. Hatcher	Senior Vice President, Customer Experience and Services
Ronald R. Reising	Executive Vice President and Chief Human Resources Officer
Resignations effective 10/24/2023	
Christopher M. Fallon	Senior Vice President and President, Duke Energy Sustainable Solutions
Appointments effective 10/03/2023	
Melisa B. Johns	Vice President, Renewables Development
Resignations effective 10/03/2023	
Melisa B. Johns	Vice President, Distributed Energy Solutions and Regulated Renewables

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the third quarter 2023 are as follows:

Appointments effective 09/16/2023	
Rounette K. Nader	Vice President, New Nuclear Generation and License Renewal
Resignations effective 07/15/2023	
James Wells	Vice President, New Nuclear Generation
Resignations effective 07/01/2023	
Thomas Silinski	Vice President, Human Resources, Total Rewards & HR Operations

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the second quarter 2023 are as follows:

Appointments effective 06/30/2023	
Kodwo Gharley-Tagoe	Director
Resignations effective 06/30/2023	
Dhiaa M. Jamil	Director
Dhiaa M. Jamil	Executive Vice President and Chief Operating Officer
Appointments effective 05/16/2023	
Oscar Suris	Senior Vice President and Chief Communications Officer
Appointments effective 05/01/2023	
Renee H. Metzler	Vice President, Total Rewards and Human Resources Operations
Resignations effective 05/01/2023	
Renee H. Metzler	Managing Director, Total Rewards
Resignations effective 04/30/2023	
Catherine B. Stancombe	Senior Vice President, Enterprise Operational Excellence

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the first quarter 2023 are as follows:

Resignations effective 03/31/2023	
M. Selim Bingol	Senior Vice President and Chief Communications Officer
Appointments effective 03/16/2023	
Donna T. Council	Senior Vice President, Corporate Real Estate, Aviation and Business Services
Resignations effective 03/16/2023	
Donna T. Council	Senior Vice President, Administrative Services
Appointments effective 03/01/2023	
R. Alexander Glenn	Executive Vice President
Ronald R. Reising	Executive Vice President and Chief Human Resources Officer
Louis E. Renjel	Executive Vice President, External Affairs and Communications
Resignations effective 03/01/2023	
R. Alexander Glenn	Senior Vice President
Ronald R. Reising	Senior Vice President and Chief Human Resources Officer

Louis E. Renjel	Senior Vice President, External Affairs and Communications
Appointments effective 01/01/2023	
T. Preston Gillespie Jr.	Executive Vice President, Chief Generation Officer and Enterprise Operational Excellence
Zachary S. Hall	Vice President, Environmental, Health and Safety Programs
James Wells	Vice President, New Nuclear Generation
Jason S. Williams	Senior Vice President, Transmission Maintenance and Construction
Resignations effective 01/01/2023	
T. Preston Gillespie Jr.	Senior Vice President and Chief Generation Officer
James Wells	Vice President, Environmental, Health and Safety Programs and Environmental Sciences

N/A

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200	3,303,112,339	3,141,482,103
3	Construction Work in Progress (107)	200	96,665,887	96,808,176
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,399,778,226	3,238,290,279
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	1,125,191,209	1,067,492,714
6	Net Utility Plant (Enter Total of line 4 less 5)		2,274,587,017	2,170,797,565
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,274,587,017	2,170,797,565
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		1,311,314	1,267,876
19	(Less) Accum. Prov. for Depr. and Amort. (122)		3,014	
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224		
23	Noncurrent Portion of Allowances	228		
24	Other Investments (124)		1,500	1,500
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		18,344,727	16,155,189
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)		85,796	

31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		19,740,323	17,424,565
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)		3,067,382	3,326,498
36	Special Deposits (132-134)			
37	Working Fund (135)			
38	Temporary Cash Investments (136)			
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		19,800,922	25,957,928
41	Other Accounts Receivable (143)		1,918,271	1,622,091
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		745,575	530,729
43	Notes Receivable from Associated Companies (145)		33,756,872	53,343,537
44	Accounts Receivable from Assoc. Companies (146)		54,654,163	2,175,359
45	Fuel Stock (151)	227	39,838,611	38,881,864
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	25,454,519	17,915,826
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		
52	Allowances (158.1 and 158.2)	228	18,470	18,470
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227	(a)1,851,053	(a)1,478,647
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		415,920	340,112
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)		4,255	29,779
61	Accrued Utility Revenues (173)			
62	Miscellaneous Current and Accrued Assets (174)		15,093,617	26,035,509
63	Derivative Instrument Assets (175)		1,790,358	4,801,453
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		85,796	

65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		196,833,042	175,396,344
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		2,449,519	2,838,745
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	116,599,400	103,143,714
73	Prelim. Survey and Investigation Charges (Electric) (183)		1,147,081	500,583
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)		50	
77	Temporary Facilities (185)			
78	Miscellaneous Deferred Debits (186)	233	2,735,310	2,377,047
79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352		
81	Unamortized Loss on Reaquired Debt (189)		154,181	272,341
82	Accumulated Deferred Income Taxes (190)	234	74,710,350	74,456,012
83	Unrecovered Purchased Gas Costs (191)		(2,812,674)	1,082,583
84	Total Deferred Debits (lines 69 through 83)		194,983,217	184,671,025
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,686,143,599	2,548,289,499

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: StoresExpenseUndistributed

Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of $29 is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance including Assigned To Construction and Transmission Plant to Total M&S balance.

(b) Concept: MiscellaneousDeferredDebits

Deferred Regulatory Comm. Expenses (See pages 350-351) is presented within page 233 by accounts.

(c) Concept: StoresExpenseUndistributed

Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of $33 is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance including Assigned To Construction and Transmission Plant to Total M&S balance.

(d) Concept: MiscellaneousDeferredDebits

Deferred Regulatory Comm. Expenses (See pages 350-351) is presented within page 233 by accounts.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250	8,779,995	8,779,995
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)		18,838,946	18,838,946
7	Other Paid-In Capital (208-211)	253	458,655,189	273,655,189
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b		
11	Retained Earnings (215, 215.1, 216)	118	644,082,572	578,920,356
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118		
13	(Less) Reacquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)		
16	Total Proprietary Capital (lines 2 through 15)		1,130,356,702	880,194,486
17	LONG-TERM DEBT			
18	Bonds (221)	256		
19	(Less) Reacquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256	25,000,000	25,000,000
21	Other Long-Term Debt (224)	256	681,720,000	756,720,000
22	Unamortized Premium on Long-Term Debt (225)			
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		149,511	161,775
24	Total Long-Term Debt (lines 18 through 23)		706,570,489	781,558,225
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		7,490,743	8,034,225
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		(158,424)	(128,556)
29	Accumulated Provision for Pensions and Benefits (228.3)		26,905,886	27,056,733

30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities		1,386,272	1,547,895
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		88,018,039	107,821,238
35	Total Other Noncurrent Liabilities (lines 26 through 34)		123,642,516	144,331,535
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Notes Payable (231)			
38	Accounts Payable (232)		61,721,705	65,496,093
39	Notes Payable to Associated Companies (233)		92,903,000	81,232,000
40	Accounts Payable to Associated Companies (234)		16,797,299	20,525,341
41	Customer Deposits (235)		8,476,056	9,144,474
42	Taxes Accrued (236)	262	188,672	39,215,893
43	Interest Accrued (237)		7,622,927	7,769,371
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)		3,821,514	4,249,492
48	Miscellaneous Current and Accrued Liabilities (242)		7,654,560	17,783,558
49	Obligations Under Capital Leases-Current (243)		363,730	344,278
50	Derivative Instrument Liabilities (244)		1,748,894	1,956,185
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		1,386,272	1,547,895
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		199,912,085	246,168,790
55	**DEFERRED CREDITS**			
56	Customer Advances for Construction (252)		2,520,782	2,520,949
57	Accumulated Deferred Investment Tax Credits (255)	266	5,120,973	3,364,566
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	14,354,084	14,807,673
60	Other Regulatory Liabilities (254)	278	120,050,570	124,170,465
61	Unamortized Gain on Reacquired Debt (257)			
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		
63	Accum. Deferred Income Taxes-Other Property (282)		353,090,715	327,209,898

64	Accum. Deferred Income Taxes-Other (283)		30,524,683	23,962,912
65	Total Deferred Credits (lines 56 through 64)		525,661,807	496,036,463
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,686,143,599	2,548,289,499

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) t amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

Do not report fourth quarter data in columns (e) and (f)
Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
Use page 122 for important notes regarding the statement of income for any account thereof.
Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenue: contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or paid with respect to power or gas purchases.
Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proc revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense ac
If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, incl allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to th

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended - Quarterly Only - No 4th Quarter (e)	Prior 3 Months Ended - Quarterly Only - No 4th Quarter (f)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)
1	UTILITY OPERATING INCOME									
2	Operating Revenues (400)	300	585,038,544	671,899,503			453,317,918	515,342,766	131,720,626	156,556,737
3	Operating Expenses									
4	Operation Expenses (401)	320	314,264,497	419,646,772			249,550,948	329,769,095	64,713,549	89,877,677
5	Maintenance Expenses (402)	320	33,333,930	34,590,833			30,988,699	32,244,328	2,345,231	2,346,505
6	Depreciation Expense (403)	336	71,219,848	66,082,094			53,727,825	49,783,713	17,492,023	16,298,381
7	Depreciation Expense for Asset Retirement Costs (403.1)	336	1,527				1,527			

8	Amort. & Depl. of Utility Plant (404-405)	336	8,964,793	8,632,951			4,743,185	4,314,108	4,221,608	4,318,843
9	Amort. of Utility Plant Acq. Adj. (406)	336								
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)									
11	Amort. of Conversion Expenses (407.2)									
12	Regulatory Debits (407.3)		29,047,623	20,189,089			27,693,783	18,961,249	1,353,840	1,227,840
13	(Less) Regulatory Credits (407.4)		999,040	1,158,927			919,582	1,067,661	79,458	91,266
14	Taxes Other Than Income Taxes (408.1)	262	15,517,515	22,423,684			11,785,321	17,452,041	3,732,194	4,971,643
15	Income Taxes - Federal (409.1)	262	1,773,250	9,255,847			9,069,527	8,497,247	(7,296,277)	758,600
16	Income Taxes - Other (409.1)	262	(1,740,017)	1,330,719			535,181	1,145,949	(2,275,198)	184,770
17	Provision for Deferred Income Taxes (410.1)	234, 272	82,456,649	59,485,831			44,373,898	43,299,864	38,082,751	16,185,967
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	67,803,131	56,362,309			45,923,485	45,269,083	21,879,646	11,093,226
19	Investment Tax Credit Adj. - Net (411.4)	266	(143,719)	(195,412)				77	(143,719)	(195,489)
20	(Less) Gains from Disp. of Utility Plant (411.6)									
21	Losses from Disp. of Utility Plant (411.7)									
22	(Less) Gains from Disposition of Allowances (411.8)		686,671	5,004,724			686,671	5,004,724		
23	Losses from Disposition of Allowances (411.9)									

24	Accretion Expense (411.10)		2,370				2,370			
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		485,209,424	578,916,448			384,942,526	454,126,203	100,266,898	124,790,245
27	Net Util Oper Inc (Enter Tot line 2 less 25)		99,829,120	92,983,055			68,375,392	61,216,563	31,453,728	31,766,492
28	Other Income and Deductions									
29	Other Income									
30	Nonutility Operating Income									
31	Revenues From Merchandising, Jobbing and Contract Work (415)		2,624,752	1,308,498						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		97,084	82,509						
33	Revenues From Nonutility Operations (417)			10,621						
34	(Less) Expenses of Nonutility Operations (417.1)		78,445	75,829						
35	Nonoperating Rental Income (418)		(3,014)							
36	Equity in Earnings of Subsidiary Companies (418.1)	119								
37	Interest and Dividend Income (419)		5,220,039	2,871,690						
38	Allowance for Other Funds Used During Construction (419.1)		1,057,191	1,249,377						
39	Miscellaneous Nonoperating Income (421)		834,373	886,030						
40	Gain on Disposition of Property (421.1)		83,825	192,167						

41	TOTAL Other Income (Enter Total of lines 31 thru 40)		9,841,637	6,362,045						
42	Other Income Deductions									
43	Loss on Disposition of Property (421.2)		52,847	121,978						
44	Miscellaneous Amortization (425)									
45	Donations (426.1)		500,957	559,067						
46	Life Insurance (426.2)			(9,559)						
47	Penalties (426.3)			4						
48	Exp. for Certain Civic, Political & Related Activities (426.4)		751,685	579,668						
49	Other Deductions (426.5)		6,642,455	11,073,319						
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		7,947,944	12,324,477						
51	Taxes Applic. to Other Income and Deductions									
52	Taxes Other Than Income Taxes (408.2)	262	(4,979)	3,621						
53	Income Taxes-Federal (409.2)	262	(10,239,448)	238,262						
54	Income Taxes-Other (409.2)	262	(2,549,265)	59,303						
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	13,582,055	1,785,096						
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	10,267	3,591,490						
57	Investment Tax Credit Adj.-Net (411.5)									
58	(Less) Investment Tax Credits (420)									

59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		778,096	(1,505,208)						
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,115,597	(4,457,224)						
61	Interest Charges									
62	Interest on Long-Term Debt (427)		30,938,749	27,687,076						
63	Amort. of Debt Disc. and Expense (428)		465,836	421,127						
64	Amortization of Loss on Reaquired Debt (428.1)		118,160	122,140						
65	(Less) Amort. of Premium on Debt-Credit (429)									
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)									
67	Interest on Debt to Assoc. Companies (430)		6,162,745	1,480,518						
68	Other Interest Expense (431)		2,214,513	1,374,974						
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		4,117,502	1,112,022						
70	Net Interest Charges (Total of lines 62 thru 69)		35,782,501	29,973,813						
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		65,162,216	58,552,018						
72	Extraordinary Items									
73	Extraordinary Income (434)									

74	(Less) Extraordinary Deductions (435)										
75	Net Extraordinary Items (Total of line 73 less line 74)										
76	Income Taxes-Federal and Other (409.3)	262									
77	Extraordinary Items After Taxes (line 75 less line 76)										
78	Net Income (Total of line 71 and 77)		65,162,216	58,552,018							

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
4. State the purpose and amount for each reservation or appropriation of retained earnings.
5. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		578,920,356	520,368,338
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
4.1	Current Expected Credit Losses (CECL) adjustments	283		
4.2	Current Expected Credit Losses (CECL) adjustments	190		
4.3				
4.4				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
10.1				
10.2				
10.3	Current Expected Credit Losses (CECL) adjustments	186		
10.4	Current Expected Credit Losses (CECL) adjustments	144		
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		65,162,216	58,552,018
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			

30.1	Cash Dividend to Parent			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		644,082,572	578,920,356
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		644,082,572	578,920,356
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
52.1	Transfers from Unappropriated Retained Earnings (Account 216)			
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

STATEMENT OF CASH FLOWS

1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions No.1 for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 117)	65,162,216	58,552,018
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	71,221,375	66,082,094
5	Amortization of (Specify) (footnote details)		
5.1	Amortization of Primary Nuclear Fuel		
5.2	Plant Items	8,964,793	8,632,951
5.3	Debt Discount, Premium, Expense, and Loss on Reacquired Debt	583,996	543,267
8	Deferred Income Taxes (Net)	28,225,308	1,317,128
9	Investment Tax Credit Adjustment (Net)	(143,719)	(195,412)
10	Net (Increase) Decrease in Receivables	(46,377,607)	2,885,225
11	Net (Increase) Decrease in Inventory	(8,415,150)	(8,742,735)
12	Net (Increase) Decrease in Allowances Inventory		719
13	Net Increase (Decrease) in Payables and Accrued Expenses	(49,801,451)	50,278,727
14	Net (Increase) Decrease in Other Regulatory Assets	19,201,907	33,520,886
15	Net Increase (Decrease) in Other Regulatory Liabilities	841,818	684,996
16	(Less) Allowance for Other Funds Used During Construction	1,057,191	1,249,377
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
18.1	Other (provide details in footnote):		
18.2	Special funds	(2,104,057)	(1,462,176)
18.3	Prepayments	(75,808)	74,689
18.4	Miscellaneous Current and Accrued Assets	5,241,397	(1,307,047)
18.5	Preliminary Survey and Investigation Charges	(646,498)	(110,644)
18.6	Clearing Accounts	(50)	6

18.7	Temporary Facilities		
18.8	Miscellaneous Deferred Debits	(358,263)	(161,358)
18.9	Unrecovered Purchased Gas Costs	3,895,257	45,899
18.10	Accumulated Other Comprehensive Income		
18.11	Obligations Under Capital Leases - Noncurrent	(543,482)	(344,278)
18.12	Accumulated Provisions	1,001,027	1,700,257
18.13	Accumulated Provision for Rate Refund		
18.14	Contribution to Pension Plan	(1,508,640)	(852,924)
18.15	Customer Advances for Construction	(167)	368,198
18.16	Other Deferred Credits	(906,285)	561,189
18.17	Derivative Instruments	(332,505)	(672,243)
18.18	Net Utility Plant and Nonutility Property	(6,406,529)	(34,901,051)
18.19	Debt Expenses	(11,971)	(3,500)
18.20	Deferred Income Taxes	224,545	311,421
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	85,874,264	175,556,925
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(222,275,933)	(172,699,698)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant	(6,119,928)	(3,425,677)
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	(1,057,191)	(1,249,377)
31	Other (provide details in footnote):		
31.1	Other (provide details in footnote):		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(227,338,670)	(174,875,998)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		

47	Collections on Loans		
49	Net (Increase) Decrease in Receivables	19,586,665	(30,947,034)
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
53.1	Cost of Removal net of salvage		
53.2	Other (provide details in footnote):		
53.3	Other investments		
53.4	Withdrawals, issuances, and redemptions of restricted funds held in trust		
57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(207,752,005)	(205,823,032)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	25,000,000	50,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	Other (provide details in footnote):		
64.2	Notes Payable to Associated Companies		
64.3	Other Financing Activities (provide details in footnote):		
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
67.1	Other (provide details in footnote):		
67.2	Contribution from Parent	185,000,000	
70	Cash Provided by Outside Sources (Total 61 thru 69)	210,000,000	50,000,000
72	Payments for Retirement of:		
73	Long-term Debt (b)	(99,943,778)	(380,026)
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Other (provide details in footnote):		
76.2	Intercompany Notes Payable MoneyPool	11,671,000	(21,364,001)
76.3	Premium payments and fees on deferred debt	(108,597)	(145,915)
76.4	Fair market value adjustment		
76.5	Bond Issuance Costs		

78	Net Decrease in Short-Term Debt (c)		
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	121,618,625	28,110,058
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)	(259,116)	(2,156,049)
88	Cash and Cash Equivalents at Beginning of Period	3,326,498	5,482,547
90	Cash and Cash Equivalents at End of Period	(a)3,067,382	3,326,498

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: CashAndCashEquivalents

		YTD December 2023		YTD December 2022
Supplemental Disclosures (in thousands)				
Cash paid for interest, net of amount Capital	$	34,318	$	28,005
Cash paid / (refunded) for income taxes	$	25,502	$	(11,154)
Significant non-cash transactions (in thousands)				
AFUDC - equity component	$	1,057	$	1,249
Accrued capital expenditures	$	30,966	$	30,310
Cash and Cash Equivalents at End of period:				
Cash (131)	$	3,067,383	$	3,326,498
Working Funds (135)		$ 0		$ 0
Temporary Cash Investments (136)		$ 0		$ 0
	$	3,067,383	$	3,326,498

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

This Federal Energy Regulatory Commission (FERC) Form 1 has been prepared in conformity with the requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles in the United States of America (GAAP). The following areas represent the significant differences between the Uniform System of Accounts and GAAP

- GAAP requires that public business enterprises report certain information about operating segments in complete sets of financial statements of the enterprise and certain information about their products and services, which are not required for FERC reporting purposes.
- GAAP requires that majority-owned subsidiaries be consolidated for financial reporting purposes. FERC requires that majority-owned subsidiaries be separately reported as Investment in Subsidiary Companies, unless an appropriate waiver has been granted by the FERC.
- FERC requires that income or losses of an unusual nature and infrequent occurrence, which would significantly distort the current year's income, be recorded as extraordinary income or deductions, respectively.
- GAAP requires that removal and nuclear decommissioning costs for property that does not have an associated legal retirement obligation be presented as a regulatory liability on the Balance Sheet. These costs are presented as accumulated depreciation on the Balance Sheet for FERC reporting purposes.
- GAAP requires the regulatory assets and liabilities resulting from the implementation of ASC 740-10 (formerly SFAS No. 109) be presented as a net amount on the balance sheet. For FERC reporting purposes, these assets and liabilities are presented separately and are included in the Other Regulatory Asset and Other Regulatory Liability line items.
- GAAP requires that the current portion of regulatory assets and regulatory liabilities be reported as current assets and current liabilities, respectively, on the Balance Sheet. FERC requires that the current portion of regulatory assets and liabilities be reported as Regulatory Assets within Deferred Debits and Regulatory Liabilities within Deferred Credits, respectively.
- GAAP requires that the current portion of long-term debt and preferred stock be reported as a current liability on the Balance Sheet. FERC requires that the current portion of long-term debt and preferred stock be reported as Long-term Debt and Proprietary Capital.
- GAAP requires that any deferred costs associated with a specific debt issuance be presented as a reduction to debt on the Balance Sheet. FERC requires any Unamortized Debt Expense to be separately stated as a Deferred Debit on the Balance Sheet.
- GAAP requires that certain account balances within financial statement line items which are not in the natural position for that line item (e.g. an account within Accounts Receivable with a credit balance) be reclassed to the appropriate side of the Balance Sheet. FERC does not require certain accounts which are not in a natural position for their respective line item to be reclassed, as long as the line item in total is in its natural position.
- GAAP requires that regulated assets that are abandoned or retired early, including the cost of the asset and its associated accumulated depreciation, be reclassified to a separate regulatory asset on the Balance Sheet. For FERC reporting purposes, those assets which have been abandoned but are still operating are maintained in their original balance sheet accounts.
- GAAP requires that the current portion of Asset Retirement Obligations be reported as current liabilities on the Balance Sheet. For FERC reporting purposes, these liabilities are not reported separately and are reflected as Asset Retirement Obligations within the Other Noncurrent Liabilities section of the Balance Sheet.
- GAAP requires service cost related to pensions and Post-Retirement Benefits Other Than Pensions (PBOP) to be reported with other compensation costs arising from services rendered by employees during the period and included in a subtotal of income from operations on the income statement. Non-service cost components are presented separately outside the subtotal of income from operations on the income statement. For FERC reporting purposes, costs related to pensions and PBOP is included in the Net Utility Operating Income of the income statement.

Duke Energy Kentucky's notes to the financial statements have been prepared in conformity with GAAP. Accordingly, certain footnotes are not reflective of Duke Energy Kentucky's financial statements contained herein. Management has evaluated the impact of events occurring after December 31, 2023 up to March 12, 2024, the date that Duke Energy Kentucky's U.S. GAAP financial statements were issued.

Management has evaluated the impact of events occurring after December 31, 2023 up to February 23, 2024 (March 12, 2024 for DE Kentucky), the date that the Company's U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through April 15, 2024. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Duke Energy Kentucky is a combination electric and natural gas regulated public utility company that provides service in northern Kentucky. Duke Energy Kentucky's principal lines of business include generation, transmission, distribution and sale of electricity, as well as the transportation and sale of natural gas. Duke Energy Kentucky is subject to the regulatory provisions of the KPSC and the FERC. Duke Energy Kentucky's common stock is wholly owned by Duke Energy Ohio, Inc., an indirect wholly owned subsidiary of Duke Energy.

Certain prior year amounts have been reclassified to conform to the current year presentation.

Other Current Assets and Liabilities

The following table provides a description of amounts included in Other within Current Assets or Current Liabilities that exceed 5% of total Current Assets or Current Liabilities on the Duke Energy Kentucky Balance Sheets at either December 31, 2023, or 2022.

		December 31,		
(in thousands)	Location	2023		2022
Income Taxes Receivable	Current Assets $	19,388	$	—
Collateral Assets	Current Assets	11,458		18,868

SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

In preparing financial statements that conform to GAAP, Duke Energy Kentucky must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Regulatory Accounting

The majority of Duke Energy Kentucky's operations are subject to price regulation for the sale of electricity and natural gas by the KPSC or FERC. When prices are set on the basis of specific costs of the regulated operations and an effective franchise is in place such that sufficient natural gas or electric services can be sold to recover those costs, Duke Energy Kentucky applies regulatory accounting. Regulatory accounting changes the timing of the recognition of costs or revenues relative to a company that does not apply regulatory accounting. As a result, regulatory assets and regulatory liabilities are recognized on the Balance Sheets and are amortized consistent with the treatment of the related cost in the ratemaking process. Regulatory assets are reviewed for recoverability each reporting period. If a regulatory asset is no longer deemed probable of recovery, the deferred cost is charged to earnings. See Note 2 for further information.

Duke Energy Kentucky utilizes cost-tracking mechanisms, commonly referred to as fuel adjustment clauses or purchased gas adjustment clauses. These clauses allow for the recovery of fuel and fuel-related costs, portions of purchased power, natural gas costs and hedging costs through surcharges on customer rates. The difference between the costs incurred and the surcharge revenues is recorded either as an adjustment to Operating Revenues, Operating Expenses - Fuel used in electric generation and purchased power or Operating Expenses - Cost of natural gas on the Statements of Operations with an off-setting impact on regulatory assets or regulatory liabilities.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of acquisition are considered cash equivalents.

Inventory

Inventory related to regulated operations is valued at historical cost. Inventory is charged to expense or capitalized to property, plant and equipment when issued, primarily using the average cost method. Excess or obsolete inventory is written-down to the lower of cost or net realizable value. Once inventory has been written-down, it creates a new cost basis for the inventory that is not subsequently written-up. Provisions for inventory write-offs were not material at December 31, 2023, and 2022. The components of inventory are presented in the table below.

		December 31,		
(In thousands)		2023		2022
Materials and supplies	$	27,306	$	19,395
Coal		28,153		33,706
Natural gas, oil and other		11,685		5,175
Total inventory	$	67,144	$	58,276

Long-Lived Asset Impairments

Duke Energy Kentucky evaluates long-lived assets for impairment when circumstances indicate the carrying value of those assets may not be recoverable. An impairment exists when a long-lived asset's carrying value exceeds the estimated undiscounted cash flows expected to result from the use and eventual disposition of the asset. The estimated cash flows may be based on alternative expected outcomes that are probability weighted. If the carrying value of the long-lived asset is not recoverable based on these estimated future undiscounted cash flows, the carrying value of the asset is written-down to its then-current estimated fair value and an impairment charge is recognized.

Duke Energy Kentucky assesses the fair value of long-lived assets using various methods, including recent comparable third-party sales, internally developed discounted cash flow analysis and analysis from outside advisors. Triggering events to reassess cash flows may include, but are not limited to, significant changes in commodity prices, the condition of an asset or management's interest in selling the asset.

Property, Plant and Equipment

Property, plant and equipment are stated at the lower of depreciated historical cost net of any disallowances or fair value, if impaired. Duke Energy Kentucky capitalizes all construction-related direct labor and material costs, as well as indirect construction costs such as general engineering, taxes and financing costs. See "Allowance for Funds Used During Construction and Interest Capitalized" below for information on capitalized financing costs. Costs of renewals and betterments that extend the useful life of property, plant and equipment are also capitalized. The cost of repairs, replacements and major maintenance projects, which do not extend the useful life or increase the expected output of the asset, are expensed as incurred. Depreciation is generally computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update composite rates and are approved by the KPSC and/or the FERC when required.The composite weighted average depreciation rate was 2.5% and 2.4% for the years ended December 31, 2023, and 2022, respectively.

In general, when Duke Energy Kentucky retires its regulated property, plant and equipment, the original cost plus the cost of retirement, less salvage value and any depreciation already recognized, is charged to accumulated depreciation. However, when it becomes probable a regulated asset will be retired substantially in advance of its original expected useful life or will be abandoned, the cost of the asset and the corresponding accumulated depreciation is recognized as a separate asset. If the asset is still in operation, the net amount is classified as Facilities to be retired, net on the Balance Sheets. If the asset is no longer operating, the net amount is classified in Regulatory assets on the Balance Sheets if deemed recoverable (see discussion of long-lived asset impairments above). The carrying value of the asset is based on historical cost if Duke Energy Kentucky is allowed to recover the remaining net book value and a return equal to at least the incremental borrowing rate. If not, an impairment is recognized to the extent the net book value of the asset exceeds the present value of future revenues discounted at the incremental borrowing rate.

When Duke Energy Kentucky sells entire regulated operating units, the original cost and accumulated depreciation and amortization balances are removed from Property, Plant and Equipment on the Balance Sheets. Any gain or loss is recorded in earnings, unless otherwise required by the KPSC and/or the FERC. See Note 7 for further information.

Leases

Duke Energy Kentucky determines if an arrangement is a lease at contract inception based on whether the arrangement involves the use of a physically distinct identified asset and whether Duke Energy Kentucky has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period as well as the right to direct use of the asset. As a policy election, Duke Energy Kentucky does not evaluate arrangements with initial contract terms of less than one year as leases.

Operating leases are included in Operating lease ROU assets, net, Other current liabilities and Operating lease liabilities on the Balance Sheets.

For lessee and lessor arrangements, Duke Energy Kentucky has elected a policy to not separate lease and non-lease components for all asset classes. For lessor arrangements, lease and non-lease components are only combined under one arrangement and accounted for under the lease accounting framework if the non-lease components are not the predominant component of the arrangement and the lease component would be classified as an operating lease.

Allowance for Funds Used During Construction and Interest Capitalized

For regulated operations, the debt and equity costs of financing the construction of property, plant and equipment are reflected as AFUDC and capitalized as a component of the cost of property, plant and equipment. AFUDC equity is reported on the Statements of Operations as non-cash income in Other Income and Expenses, net. AFUDC debt is reported as a non-cash offset to Interest Expense on the Statements of Operations. After construction is completed, Duke Energy Kentucky is permitted to recover these costs through their inclusion in rate base and the corresponding subsequent depreciation or amortization of those regulated assets.

AFUDC equity, a permanent difference for income taxes, reduces the effective tax rate when capitalized and increases the effective tax rate when depreciated or amortized. See Note 16 for additional information.

Asset Retirement Obligations

AROs are recognized for legal obligations associated with the retirement of property, plant and equipment. When recording an ARO, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. For operating plants, the present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. For retired plants, the present value of the liability is recorded as a regulatory asset unless determined not to be probable of recovery.

The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows, selection of discount rates and cost escalation rates, among other factors. These estimates are subject to change. Depreciation expense is adjusted prospectively for any changes to the carrying amount of the associated asset. Duke Energy Kentucky receives amounts to fund the cost of the ARO from regulated revenues. As a result, amounts recovered in regulated revenues, accretion expense and depreciation of the associated asset are netted and deferred as a regulatory asset or regulatory liability.

Obligations for closure of ash basins are based upon discounted cash flows of estimated costs for site-specific plans, if known, or probability weightings of the potential closure methods if the closure plans are under development and multiple closure options are being considered and evaluated on a site-by-site basis. See Note 6 for further information.

Accounts Payable

Duke Energy has a voluntary supply chain finance program (the "program") with a global financial institution. Duke Energy Kentucky is a participant in this enterprise-wide program offered to suppliers. The program allows Duke Energy Kentucky suppliers, at their sole discretion, to sell their receivables from Duke Energy Kentucky to the financial institution at a rate that leverages Duke Energy Kentucky's credit rating and, which may result in favorable terms compared to the rate available to the supplier on their own credit rating. Suppliers participating in the program determine at their sole discretion which invoices they will sell to the financial institution. Suppliers' decisions on which invoices are sold do not impact Duke Energy Kentucky's payment terms, which are based on commercial terms negotiated between Duke Energy Kentucky and the supplier regardless of program participation. The commercial terms negotiated between Duke Energy Kentucky and its suppliers are consistent regardless of whether the supplier elects to participate in the program. Duke Energy Kentucky does not issue any guarantees with respect to the program and does not participate in negotiations between suppliers and the financial institution. Duke Energy Kentucky does not have an economic interest in the supplier's decision to participate in the program and receives no interest, fees or other benefit from the financial institution based on supplier participation in the program.

Suppliers invoices sold to the financial institution under the program were immaterial for the years ended December 31, 2023, and 2022, respectively, for Duke Energy Kentucky. All activity related to amounts due to suppliers who elected to participate in the program are included within Net cash provided by operating activities on the Statements of Cash Flows.

Revenue Recognition

Duke Energy Kentucky recognizes revenue as customers obtain control of promised goods and services in an amount that reflects consideration expected in exchange for those goods or services. Generally, the delivery of electricity and natural gas results in the transfer of control to customers at the time the commodity is delivered and the amount of revenue recognized is equal to the amount billed to each customer, including estimated volumes delivered when billings have not yet occurred. See Note 13 for further information.

Derivatives and Hedging

Derivative instruments may be used in connection with commodity price and interest rate activities, including swaps, futures, forwards and options. All derivative instruments, except those that qualify for the normal purchase/normal sale exception, are recorded on the Balance Sheets at fair value. For activity subject to regulatory accounting, gains and losses on derivative contracts are reflected as regulatory assets or regulatory liabilities and not as other comprehensive income or current period income. As a result, changes in fair value of these derivatives have no immediate earnings impact. See Note 10 for further information.

Loss Contingencies and Environmental Liabilities

Contingent losses are recorded when it is probable a loss has occurred and can be reasonably estimated. When a range of the probable loss exists and no amount within the range is a better estimate than any other amount, the minimum amount in the range is recorded. Unless otherwise required by GAAP, legal fees are expensed as incurred.

Environmental liabilities are recorded on an undiscounted basis when environmental remediation or other liabilities become probable and can be reasonably estimated. Environmental expenditures related to past operations that do not generate current or future revenues are expensed. Environmental expenditures related to operations that generate current or future revenues are expensed or capitalized, as appropriate. Certain environmental expenditures receive regulatory accounting treatment and are recorded as regulatory assets. See Notes 2 and 3 for further information.

Severance and Special Termination Benefits

Duke Energy Kentucky participates in severance plans for the general employee population under which, in general, the longer a terminated employee worked prior to termination the greater the amount of severance benefits provided. A liability for involuntary severance is recorded once an involuntary severance plan is committed to by management if involuntary severances are probable and can be reasonably estimated. For involuntary severance benefits incremental to its ongoing severance plan benefits, the fair value of the obligation is expensed at the communication date if there are no future service requirements or over the required future service period. Duke Energy Kentucky also offers special termination benefits under voluntary severance programs. Special termination benefits are recorded immediately upon employee acceptance absent a significant retention period. Otherwise, the cost is recorded over the remaining service period. Employee acceptance of voluntary severance benefits is determined by management based on the facts and circumstances of the benefits being offered. See Note 14 for further information.

Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and foreign jurisdictional returns. Duke Energy Kentucky has a tax-sharing agreement with Duke Energy, and income taxes recorded represent amounts Duke Energy Kentucky would incur as a separate C-Corporation. Deferred income taxes have been provided for temporary differences between GAAP and tax bases of assets and liabilities because the differences create taxable or tax-deductible amounts for future periods. Investment tax credits associated with regulated operations are deferred and amortized as a reduction of income tax expense over the estimated useful lives of the related properties.

Accumulated deferred income tax is valued using the enacted tax rate expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be settled or realized. In the event of a change in tax rates, deferred tax assets and liabilities are remeasured as of the enactment date of the new rate. To the extent that the change in the value of the deferred tax represents an obligation to customers, the impact of the remeasurement is deferred to a regulatory liability. Remaining impacts are recorded in income from continuing operations. If Duke Energy Kentucky's estimate of the tax effect of reversing temporary differences is not reflective of actual outcomes, is modified to reflect new developments or interpretations of the tax law, is revised to incorporate new accounting principles, or changes in the expected timing or manner of the reversal then Duke Energy Kentucky's results of operations could be impacted.

Tax-related interest and penalties are recorded in Interest Expense and Other Income and Expenses, net, in the Statements of Operations. See Note 16 for further information.

Dividend Restrictions

Duke Energy Kentucky is required to pay dividends solely out of retained earnings and to maintain a minimum of 35% equity in its capital structure.

New Accounting Standards

There were no Accounting Standard Updates adopted for 2023 and 2022 that had a material impact on the presentation or results of operations, cash flows or financial position of Duke Energy Kentucky.

2. REGULATORY MATTERS

REGULATORY ASSETS AND LIABILITIES

Duke Energy Kentucky records regulatory assets and liabilities that result from the ratemaking process. See Note 1 for further information.

The following table represents the regulatory assets and liabilities on the Balance Sheets.

	December 31,		Earns/Pays	Recovery/Refund
(in thousands)	2023	2022	a Return	Period Ends
Regulatory Assets[a]				
East Bend deferrals	$ 28,453	32,515	X	(c)

Accrued pension and other post-retirement benefits	26,889	27,144		(b)
COR regulatory asset	22,102	—	X	(c)
AROs – coal ash	16,674	—	X	(c)(g)
East Bend outage normalization	11,672	9,957		2026
Deferred fuel and purchased gas costs	5,359	13,422		(d)(g)2024
ESM Deferral	4,805	4,751		(d)2024
Deferred Forced Outage Purchased Power	4,474	5,650		2028
Advanced Metering Infrastructure	2,761	3,130		2033
Deferred gas integrity costs	1,671	1,949	X	2029
Hedge costs and other deferrals	1,386	1,548		(e)
Vacation accrual	1,112	1,121		2024
Carbon management research grant	867	1,067		2026
Storm cost deferrals	280	818		(c)
Deferred debt expense	154	272		2036
Demand side management/Energy efficiency costs	—	1,438		(c)(d)
Other	2,029	648		(c)(d)
Total regulatory assets	130,548	105,030		
Less: current portion	21,018	34,489		
Total noncurrent regulatory assets	$ 109,530	$ 70,541		
Regulatory Liabilities[(a)]				
Net regulatory liability related to income taxes	$ 105,250	110,866		(c)
Accrued pension and other post-retirement benefits	5,246	5,836		(b)
Deferred fuel and purchased gas costs	4,764	7,817		(d)2024
Demand side management/Energy efficiency costs	2277	1,595		(c)(d)
Hedge costs and other deferrals	2	3,125		(e)
Profit sharing mechanism	—	9,087		
Costs of removal	—	(9,503)		(f)
Other	592	182		(c)(e)
Total regulatory liabilities	118,131	120,005		
Less: current portion	14,554	25,644		
Total noncurrent regulatory liabilities	$ 103,577	$ 103,361		

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 15 for further information.
(c) The expected recovery or refund period varies or has not been determined.
(d) Deferred costs are recovered through a rider mechanism.
(e) Some amounts relate to unrealized gains and losses on derivatives recorded as a regulatory asset or liability, respectively, until the contracts are settled.
(f) Represents funds received from customers to cover future removal of property, plant and equipment from retired or abandoned sites as property is retired. Included in rate base and recovered over the life of associated assets.
(g) Certain amounts are recovered through rates.

RATE RELATED INFORMATION

The KPSC approves rates for retail electric and natural gas services within the Commonwealth of Kentucky. The FERC approves rates for electric sales to wholesale customers served under cost-based rates, as well as sales of transmission service.

Duke Energy Kentucky Electric Base Rate Case

On December 1, 2022, Duke Energy Kentucky filed a rate case with the KPSC requesting an annualized increase in electric base rates of approximately $75 million. The request for rate increase is driven by capital investments to strengthen the electricity generation and delivery systems along with adjusted depreciation rates for the East Bend and Woodsdale generation stations to support the energy transition. Duke Energy Kentucky also requested new programs and tariff updates, including a voluntary community-based renewable subscription program and two EV charging programs. The KPSC issued an order on October 12, 2023, including a $48 million increase in base revenues, an ROE of 9.75% for electric base rates and 9.65% for electric riders and an equity ratio of 52.145%. New rates went into effect October 13, 2023. The company's request to align the depreciation rates of East Bend with a 2035 retirement date was denied and the KPSC ordered depreciation
rates with a 2041 retirement date for the unit. The KPSC did approve the request to align the depreciation rates of Woodsdale CT with a 2040 retirement date and denied the voluntary community-based renewable subscription program and the two electric vehicle charging programs.

On November 1, 2023, Duke Energy Kentucky filed for rehearing requesting certain matters be reconsidered by the KPSC. On November 21, 2023, KPSC granted in part and denied in part the company's request for rehearing. On February 15, 2024, the KPSC issued a briefing schedule for the rehearing process. Simultaneous briefs are due on March 18, 2024, simultaneous reply briefs are due on April 1, 2024, and the matter shall stand submitted on April 2, 2024. On December 14, 2023, Duke Energy Kentucky filed an appeal with the Franklin County Circuit Court on certain matters for which the KPSC denied rehearing, specifically as it relates to including decommissioning costs in depreciation rates for East Bend and Woodsdale. On January 8, 2024, answers to the appeal were filed by the KPSC, Kentucky Attorney General, and the Kentucky Broadband & Cable Association. Duke Energy Kentucky cannot predict the outcome of this matter.

Midwest Propane Cavern

Duke Energy Kentucky used propane stored in a cavern to meet peak demand during winter for several decades. Duke Energy Ohio installed a new natural gas pipeline (the Central Corridor Project) in its Ohio service territory to increase system reliability and enable the retirement of older infrastructure. Once the Central Corridor Project was complete and placed in service, the propane peaking facility was no longer necessary and was retired. On October 7, 2021, and November 4, 2021, Duke Energy Ohio and Duke Energy Kentucky, respectively, filed requests with the Public Utility Commission of Ohio and the KPSC to establish a regulatory asset for their share of expenses incurred related to the retirement of the propane storage cavern and associated propane-air facilities. On January 31, 2022, the KPSC issued an order denying Duke Energy Kentucky's request. As a result of the KPSC order, Duke Energy Kentucky recorded a $6.7 million charge to Impairment of assets and other charges on Duke Energy Kentucky's Statement of Operations and Comprehensive Income in 2022.

3. COMMITMENTS AND CONTINGENCIES

GENERAL INSURANCE

Duke Energy Kentucky has insurance and/or reinsurance coverage either directly or through indemnification from Duke Energy's captive insurance company, Bison Insurance Company Limited, and its affiliates, consistent with companies engaged in similar commercial operations with similar type properties. Duke Energy Kentucky's coverage includes (i) commercial general liability coverage for liabilities arising to third parties for bodily injury and property damage; (ii) workers' compensation; (iii) automobile liability coverage; and (iv) property coverage for all real and personal property damage. Real and personal property damage coverage excludes electric transmission and distribution lines, but includes damages arising from boiler and machinery breakdowns, earthquakes, flood damage and extra expense, but not outage or replacement power coverage. All coverage is subject to certain deductibles or retentions, sublimits, exclusions, terms and conditions common for companies with similar types of operations. Duke Energy Kentucky self-insures its electric transmission and distribution lines against loss due to storm damage and other natural disasters.

The cost of Duke Energy Kentucky's coverage can fluctuate year to year reflecting claims history and conditions of the insurance and reinsurance markets.

In the event of a loss, terms and amounts of insurance and reinsurance available might not be adequate to cover claims and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on Duke Energy Kentucky's results of operations, cash flows or financial position. Duke Energy Kentucky is responsible to the extent losses may be excluded or exceed limits of the coverage available.

ENVIRONMENTAL

Duke Energy Kentucky is subject to federal, state and local regulations regarding air and water quality, hazardous and solid waste disposal, coal ash and other environmental matters. These regulations can be changed from time to time, imposing new obligations on Duke Energy Kentucky.

Remediation Activities

In addition to the AROs discussed in Note 6, Duke Energy Kentucky is responsible for environmental remediation at various sites. These include certain properties that are part of ongoing operations and sites formerly owned or used by Duke Energy Kentucky. These sites are in various stages of investigation, remediation and monitoring. Managed in conjunction with relevant federal, state and local agencies, remediation activities vary based upon site condition and location, remediation requirements, complexity and sharing of responsibility. If remediation activities involve joint and several liability provisions, strict liability, or cost recovery or contribution actions, Duke Energy Kentucky could potentially be held responsible for environmental impacts caused by other potentially responsible parties, and may also benefit from insurance policies or contractual indemnities that cover some or all cleanup costs. Liabilities are recorded when losses become probable and are reasonably estimable. The total costs that may be incurred cannot be estimated because the extent of environmental impact, allocation among potentially responsible parties, remediation alternatives and/or regulatory decisions have not yet been determined. Additional costs associated with remediation activities are likely to be incurred in the future and could be significant. Costs are typically expensed as Operation, maintenance and other on the Statements of Operations unless regulatory recovery of the costs is deemed probable.

Duke Energy Kentucky has accrued approximately $618 thousand of probable and estimable costs related to its various environmental sites in Other within Other Noncurrent Liabilities on the Balance Sheets as of December 31, 2023, and 2022. Additional losses in excess of recorded reserves are expected to be immaterial for the stages of investigation, remediation and monitoring for the environmental sites that have been evaluated. The maximum amount of the range for all stages of Duke Energy Kentucky's environmental sites cannot be determined at this time.

LITIGATION

Duke Energy Kentucky is involved in other legal, tax and regulatory proceedings arising in the ordinary course of business, some of which involve significant amounts. Duke Energy Kentucky believes the final disposition of these proceedings will not have a material effect on its results of operations, cash flows or financial position. Duke Energy Kentucky expenses legal costs related to the defense of loss contingencies as incurred.

OTHER COMMITMENTS AND CONTINGENCIES

General

As part of its normal business, Duke Energy Kentucky is party to various financial guarantees, performance guarantees and other contractual commitments to extend guarantees of credit and other assistance to various third parties. These guarantees involve elements of performance and credit risk, which are not included on the Balance Sheets. The possibility of Duke Energy Kentucky having to honor its contingencies is largely dependent upon future operations of various third parties or the occurrence of certain future events.

Purchase Obligations

Pipeline and Storage Capacity Contracts

Duke Energy Kentucky enters into pipeline and storage capacity contracts that commit future cash flows to acquire services needed in its business. Costs arising from capacity commitments are recovered via the Gas Cost Adjustment Clause in Kentucky. The time period for fixed payments under these pipeline and storage capacity contracts is up to 20 years.

Certain storage and pipeline capacity contracts require the payment of demand charges that are based on rates approved by the FERC in order to maintain rights to access the natural gas storage or pipeline capacity on a firm basis during the contract term. The demand charges that are incurred in each period are recognized in the Statements of Operations as part of natural gas purchases and are included in Cost of natural gas.

The following table presents future unconditional purchase obligations under these contracts.

(in thousands)		December 31, 2023
2024	$	22,267
2025		15,798
2026		13,327
2027		12,932
2028		12,932
Thereafter		182,132
Total	$	259,388

4. LEASES

As part of its operations, Duke Energy Kentucky leases space on communication towers, meters and office space under various terms and expiration dates. Certain Duke Energy Kentucky lease agreements include options for renewal and early termination. The intent to renew a lease varies depending on the lease type and asset. Renewal options that are reasonably certain to be exercised are included in the lease measurements. The decision to terminate a lease early is dependent on various economic factors. No termination options have been included in any of the lease measurements.

Duke Energy Kentucky has certain lease agreements, which include variable lease payments that are based on the usage of an asset. These variable lease payments are not included in the measurement of the ROU assets or operating lease liabilities on the Balance Sheets.

The following table presents the components of lease expense and are included in Operations, maintenance and other on the Statements of Operations.

		Years Ended December 31,	
(in thousands)		2023	2022
Operating lease expense	$	1,879 $	1,768
Short-term lease expense		—	53
Variable lease expense		43	45
Total lease expense	$	1,922 $	1,866

The following table presents operating lease maturities and a reconciliation of the undiscounted cash flows to operating lease liabilities.

(in thousands)		December 31, 2023
2024	$	696
2025		709
2026		723
2027		737
2028		752
Thereafter		6,943
Total operating lease payments		10,560
Less: present value discount		(2,705)
Total operating lease liabilities[(a)]	$	7,855

(a) Certain operating lease payments include renewal options that are reasonably certain to be exercised.

The following tables contain additional information related to leases.

			December 31,	
(in thousands)	Classification		2023	2022
Assets				
Operating	Operating lease ROU assets, net	$	7,430 $	8,016
Total lease assets		$	7,430 $	8,016
Liabilities				
Current				
Operating	Other current liabilities	$	364 $	364
Noncurrent				
Operating	Operating lease liabilities		7,491	8,034
Total lease liabilities		$	7,855 $	8,378

		Years ended December 31,	
(in thousands)		2023	2022
Cash paid for amounts included in the measurement of lease liabilities[(a)]			
Operating cash flows from operating leases	$	697 $	688

(a) No amounts were classified as investing cash flows from operating leases for the years ended December 31, 2023, and 2022.

	December 31,	
	2023	2022
Weighted-average remaining lease term (years)		
Operating leases	13	15
Weighted-average discount rate[a]		
Operating leases	4.4%	4.4%

(a) The discount rate is calculated using the rate implicit in a lease if it is readily determinable. Generally, the rate used by the lessor is not provided to Duke Energy Kentucky and in these cases the incremental borrowing rate is used. Duke Energy Kentucky will typically use its fully collateralized incremental borrowing rate as of the commencement date to calculate and record the lease. The incremental borrowing rate is influenced by the lessee's credit rating and lease term and as such may differ for individual leases, embedded leases or portfolios of leased assets.

5. DEBT AND CREDIT FACILITIES

SUMMARY OF DEBT AND RELATED TERMS

The following table summarizes outstanding debt.

(in thousands)	Weighted Average Interest Rate	Year Due	December 31, 2023	2022
Unsecured debt	4.01%	2025-2057	$ 605,000	$ 680,000
Tax-exempt bonds[a][b]	3.70%	2027	76,720	76,720
Money pool borrowings[b][c]	5.26%	2028	117,903	106,232
Unamortized debt discount and premium, net			(150)	(161)
Unamortized debt issuance costs			(2,008)	(2,402)
Total debt	4.18%		$ 797,465	$ 860,389
Short-term money pool borrowings			(92,903)	(81,232)
Current maturities of long-term debt			—	(74,980)
Total long-term debt			$ 704,562	$ 704,177

(a) Includes $27 million that is secured by a bilateral letter of credit agreement at December 31, 2023, and 2022.
(b) Floating-rate debt. At December 31, 2022, the weighted average interest rate was 3.72% and 4.31% for tax-exempt bonds and money pool borrowings, respectively.
(c) Includes $25 million classified as Long-Term Debt Payable to Affiliated Companies on the Balance Sheets at December 31, 2023, and 2022.

MATURITIES AND CALL OPTIONS

The following table shows the annual maturities of long-term debt for the next five years and thereafter. Amounts presented exclude short-term notes payable.

(in thousands)	December 31, 2023
2024	$ —
2025	95,000
2026	45,000
2027	76,720
2028	65,000
Thereafter	425,000
Total long-term debt, including current maturities	$ 706,720

Duke Energy Kentucky has the ability under certain debt facilities to call and repay the obligation prior to its scheduled maturity. Therefore, the actual timing of future cash repayments could be materially different than as presented above.

SHORT-TERM OBLIGATIONS CLASSIFIED AS LONG-TERM DEBT

Certain tax-exempt bonds that may be put to Duke Energy Kentucky at the option of the holder and money pool borrowings, which are short-term obligations by nature, are classified as long-term due to Duke Energy Kentucky's intent and ability to utilize such borrowings as long-term financing. As Duke Energy's Master Credit Facility and Duke Energy Kentucky's other bilateral letter of credit agreements have non-cancelable terms in excess of one year as of the balance sheet date, Duke Energy Kentucky has the ability to refinance these short-term obligations on a long-term basis. See "Available Credit Facilities" below for additional information.

At December 31, 2023, and 2022, $27 million of tax-exempt bonds and $25 million of money pool borrowings were classified as Long-Term Debt and Long-Term Debt Payable to Affiliated Companies, respectively, on the Balance Sheets.

SUMMARY OF SIGNIFICANT DEBT ISSUANCES

In June 2022, Duke Energy Kentucky closed on a $50 million 5-year fixed-to-maturity tax-exempt bond with a 3.7% coupon maturing in August 2027. The proceeds were used to provide funds to refund the prior bonds previously issued by the issuer, which were loaned to refinance certain air and water pollution control facilities and solid waste disposal facilities.

AVAILABLE CREDIT FACILITIES

Master Credit Facility

In March 2023, Duke Energy amended its existing Master Credit Facility of $9 billion to extend the termination date to March 2028. Duke Energy Kentucky has borrowing capacity under the Master Credit Facility up to a specified sublimit. Duke Energy has the unilateral ability at any time to increase or decrease Duke Energy Kentucky's borrowing sublimit, subject to a maximum sublimit. The amount available to Duke Energy Kentucky under the Master Credit Facility may be reduced due to backstop issuances of commercial paper. At December 31, 2023, Duke Energy Kentucky had a borrowing sublimit of $225 million and available capacity of $107 million under Duke Energy's Master Credit Facility.

Duke Energy Kentucky and Duke Energy Indiana, LLC, a subsidiary of Duke Energy, collectively have a $156 million bilateral letter of credit agreement with a termination date of February 2026. Duke Energy Kentucky may request the issuance of letters of credit up to $27 million on its behalf to support various series of tax-exempt bonds. This credit facility may not be used for any purpose other than to support the tax-exempt bonds.

Term Loan Facility

In October 2021, Duke Energy Kentucky entered into a two-year term loan facility with commitments totaling $50 million. The term loan facility was fully drawn at the time of closing. In October 2023, Duke Energy Kentucky's $50 million two-year term loan facility was increased to $75 million and its maturity was extended to April 2024. The $25 million in incremental borrowings under the facility were fully drawn at the time of closing and used to pay down short-term debt and for general corporate purpose. In December 2023, Duke Energy Kentucky repaid the $75 million outstanding on the term loan and terminated the facility.

OTHER DEBT MATTERS

Money Pool

Duke Energy Kentucky receives support for its short-term borrowing needs through participation with Duke Energy and certain of its subsidiaries in a money pool arrangement. Under this arrangement, those companies with short-term funds may provide short-term loans to affiliates participating under this arrangement. The money pool is structured such that Duke Energy Kentucky separately manages its cash needs and working capital requirements. Accordingly, there is no net settlement of receivables and payables between money pool participants. Duke Energy may loan funds to its participating subsidiaries, but may not borrow funds through the money pool.

Money pool receivable balances are reflected within Notes receivable from affiliated companies on the Balance Sheets. Money pool payable balances are reflected within either Notes payable to affiliated companies or Long-Term Debt Payable to Affiliated Companies on the Balance Sheets.

Restrictive Debt Covenants

Duke Energy Kentucky's debt and credit agreements contain various financial and other covenants. Duke Energy's Master Credit Facility contains a covenant requiring the debt-to-total capitalization ratio not to exceed 65% for each borrower. Failure to meet those covenants beyond applicable grace periods could result in accelerated due dates and/or termination of the agreements. As of December 31, 2023, Duke Energy Kentucky was in compliance with all covenants related to its debt agreements. In addition, some credit agreements may allow for acceleration of payments or termination of the agreements due to nonpayment, or acceleration of other significant indebtedness of the borrower or some of its subsidiaries. None of the debt or credit agreements contain material adverse change clauses.

6. ASSET RETIREMENT OBLIGATIONS

Duke Energy Kentucky records an ARO when it has a legal obligation to incur retirement costs associated with the retirement of a long-lived asset and the obligation can be reasonably estimated. Certain assets have an indeterminate life, and thus the fair value of the retirement obligation is not reasonably estimable. A liability for these AROs will be recorded when a fair value is determinable.

Duke Energy Kentucky's regulated electric and regulated natural gas operations accrue costs of removal for property that does not have an associated legal retirement obligation based on regulatory orders from the KPSC. These costs of removal are recorded as a regulatory liability in accordance with regulatory accounting treatment. See Note 2 for the estimated cost of removal for assets without an associated legal retirement obligation, which are included in Regulatory liabilities on the Balance Sheets as of December 31, 2023, and 2022.

Duke Energy Kentucky is subject to state and federal regulations covering the closure of coal ash impoundments, including the EPA Coal Combustion Residuals (CCR) Rule. AROs recorded on the Balance Sheets include the legal obligation for the disposal of CCR, which is based upon estimated closure costs for impacted ash impoundments. The amount recorded represents the discounted cash flows for estimated closure costs based upon specific closure plans. Actual costs to be incurred will be dependent upon factors that vary from site to site. The most significant factors are the method and time frame of closure at the individual sites. Closure methods considered include removing the water from ash basins, consolidating material as necessary and capping the ash with a synthetic barrier, excavating and relocating the ash to a lined landfill or recycling the ash for concrete or some other beneficial use. The ultimate method and timetable for closure will be in compliance with standards set by federal and state regulations and other agreements. The ARO amount will be adjusted as additional information is gained through the closure and post-closure process, including acceptance and approval of compliance approaches, which may change management assumptions, and may result in a material change to the balance. Asset retirement costs associated with coal ash AROs at the East Bend Station are included within Property, Plant and Equipment on the Balance Sheets.

In addition to the coal ash AROs, Duke Energy Kentucky also has legal obligations related to the retirement of gas mains and asbestos remediation.

The following table presents the changes in the liability associated with AROs.

	Years Ended December 31,	
(in thousands)	2023	2022
Balance at beginning of period	$ 107,821	$ 93,282
Accretion expense[(a)]	4,712	3,580
Liabilities settled[(b)]	(15,099)	(13,420)
Liabilities incurred in the current year	1,142	—
Revisions to estimates of cash flows[(c)]	(10,558)	24,379
Balance at end of period	$ 88,018	$ 107,821

(a) Accretion expense relates to Duke Energy Kentucky's regulated operations and has been deferred in accordance with regulatory accounting treatment for the years ended December 31, 2023, and 2022.
(b) Liabilities settled relate to ash basin and landfill closure costs at the East Bend Station.
(c) Revisions to estimates of cash flows represent the discounted cash flows for estimated closure costs. The amounts relate to changes in routine maintenance cost estimates for ash impoundments.

7. PROPERTY, PLANT AND EQUIPMENT

The following table summarizes property, plant and equipment.

(in thousands)	Average Remaining Useful Life (Years)	December 31, 2023	2022
Land		$ 52,830	$ 51,303
Plant			
Electric generation, distribution and transmission	39	2,204,173	2,148,022
Natural gas transmission and distribution	58	879,157	797,622
Other buildings and improvements	28	22,736	14,767
Equipment	13	54,152	42,911
Construction in process		98,006	98,107
Other	14	82,605	77,810
Total property, plant and equipment		3,393,659	3,231,542
Accumulated depreciation and amortization		(1,138,534)	(1,069,422)
Net property, plant and equipment[(a)]		$ 2,255,534	$ 2,162,422

(a) The debt component of AFUDC totaled $4.1 million and $1.1 million at December 31, 2023, and 2022, respectively.

8. OTHER INCOME AND EXPENSES, NET

The components of Other Income and Expenses, net on the Statements of Operations are as follows.

	Years Ended December 31,	
(in thousands)	2023	2022
Income/(Expense):		
Interest income	$ 6,220	$ 2,872
AFUDC equity	1,057	1,249
Other	2,524	(265)
Other Income and Expenses, net	$ 9,801	$ 3,856

9. RELATED PARTY TRANSACTIONS

Duke Energy Kentucky engages in related party transactions, which are generally performed at cost and in accordance with KPSC and FERC regulations. Refer to the Balance Sheets for balances due to or from related parties. Material amounts related to transactions with related parties included in the Statements of Operations are presented in the following table.

	Years Ended December 31,	
(in thousands)	2023	2022
Corporate governance and shared service expenses[(a)]	$ 75,518	$ 85,315

(a) Duke Energy Kentucky is charged its proportionate share of costs, primarily related to human resources, employee benefits, information technology, legal and accounting fees, as well as other third-party costs, from a consolidated affiliate of Duke Energy. These amounts are recorded in Operation, maintenance and other within Operating Expenses on the Statements of Operations.

In addition to the amounts presented above, Duke Energy Kentucky has other affiliate transactions, including certain indemnification coverages through Duke Energy's wholly owned captive insurance subsidiary, rental of office space, participation in a money pool arrangement
with Duke Energy and certain of its subsidiaries, other operational transactions and its proportionate share of certain charged expenses. See Note 6 for more information regarding the money pool.

Certain trade receivables have been sold by Duke Energy Kentucky to CRC, an unconsolidated entity formed by a subsidiary of Duke Energy. The proceeds obtained from the sales of receivables are largely cash but do include a subordinated note from CRC for a portion of the purchase price. See Note 12 for further information related to the sales of these receivables.

Intercompany Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and jurisdictional returns. Duke Energy Kentucky has a tax sharing agreement with Duke Energy for the allocation of consolidated tax liabilities and benefits. Income taxes recorded represent amounts Duke Energy Kentucky would incur as a separate C-Corporation. Duke Energy Kentucky had an intercompany tax receivable balance of $25 million and $13 million at December 31, 2023, and 2022, respectively. These amounts are included in Other current assets on the Balance Sheets.

10. DERIVATIVES AND HEDGING

COMMODITY PRICE RISK

Duke Energy Kentucky has limited exposure to market price changes of fuel and emission allowance costs incurred for its retail customers due to the use of cost tracking and recovery mechanisms. Duke Energy Kentucky does have exposure to the impact of market fluctuations in the prices of electricity, fuel and emission allowances associated with its generation output not utilized to serve retail operations or committed load (off-system, wholesale power sales). Duke Energy Kentucky's outstanding commodity derivatives, FTRs, had a notional volume of 1,615 gigawatt-hours and 1,820 gigawatt-hours at December 31, 2023, and 2022, respectively.

See Note 11 for additional information on the fair value of commodity derivatives.

INTEREST RATE RISK

Duke Energy Kentucky is exposed to changes in interest rates as a result of its issuance or anticipated issuance of variable-rate and fixed-rate debt. Interest rate risk is managed by limiting variable-rate exposure to a percentage of total debt and by monitoring changes in interest rates. To manage risk associated with changes in interest rates, Duke Energy Kentucky may enter into financial contracts including interest rate swaps and U.S. Treasury lock agreements. The notional amount of interest rate swaps outstanding was $26.7 million at December 31, 2023, and 2022. Financial contracts entered into by Duke Energy Kentucky are not designated as a hedge because they are accounted for under regulatory accounting. With regulatory accounting, the mark-to-market gains or losses are deferred as regulatory liabilities or assets, respectively. Regulatory assets and regulatory liabilities are amortized consistent with the treatment of related costs in the ratemaking process. The accrual of interest on swaps is recorded as Interest Expense on the Statements of Operations.

See Note 11 for additional information on the fair value of interest rate derivatives.

CREDIT RISK

Duke Energy Kentucky analyzes the financial condition of counterparties prior to entering into agreements and establishes credit limits and monitors the appropriateness of those limits on an ongoing basis. Credit limits and collateral requirements for retail electric customers are established by the KPSC.

Duke Energy Kentucky's industry has historically operated under negotiated credit lines for physical delivery contracts. Duke Energy Kentucky may use master collateral agreements to mitigate certain credit exposures. The collateral agreements require certain counterparties to post cash or letters of credit for the amount of exposure in excess of an established threshold. The threshold amount represents an unsecured credit limit determined in accordance with the corporate credit policy. Collateral agreements also provide that the inability to post collateral is sufficient cause to terminate contracts and liquidate all positions.

Duke Energy Kentucky also obtains cash or letters of credit from customers to provide credit support outside of collateral agreements, where appropriate, based on its financial analysis of the customer and the regulatory or contractual terms and conditions applicable to each transaction.

11. FAIR VALUE MEASUREMENTS

Fair value is the exchange price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value definition focuses on an exit price versus the acquisition cost. Fair value measurements use market data or assumptions market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs may be readily observable, corroborated by market data or generally unobservable. Valuation techniques maximize the use of observable inputs and minimize use of unobservable inputs. A midmarket pricing convention (the midpoint price between bid and ask prices) is permitted for use as a practical expedient. Fair value measurements are classified in three levels based on the fair value hierarchy as defined by GAAP.
Fair value accounting guidance permits entities to elect to measure certain financial instruments that are not required to be accounted for at fair value, such as equity method investments or the company's own debt, at fair value. Duke Energy Kentucky has not elected to record any of these items at fair value.

Commodity derivatives

If forward price curves are not observable for the full term of the contract and the unobservable period had more than an insignificant impact on the valuation, the commodity derivative is classified as Level 3. The valuation technique and unobservable input for an FTR is regional transmission organization auction pricing and FTR price - per megawatt-hour, respectively.

Interest rate derivatives

All over-the-counter interest rate contract derivatives are valued using financial models that utilize observable inputs for similar instruments and are classified as Level 2. Inputs include forward interest rate curves, notional amounts, interest rates and credit quality of the counterparties.

QUANTITATIVE DISCLOSURES

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Balance Sheets. Derivative amounts in the table below exclude cash collateral.

	December 31, 2023		
(in thousands)	Total Fair Value	Level 2	Level 3
Derivative assets[(a)]	$ 1,510	$ —	$ 1,510
Derivative liabilities[(b)]	(1,749)	(1,749)	—
Net assets (liabilities	$ (239)	$ (1,749)	$ 1,510

	December 31, 2022		
(in thousands)	Total Fair Value	Level 2	Level 3
Derivative assets[(a)]	$ 4,560	$ —	$ 4,560
Derivative liabilities[(b)]	(1,956)	(1,956)	—
Net (liabilities) assets	$ 2,604	$ (1,956)	$ 4,560

(a) Included in Other within Current Assets and Other within Other Noncurrent Assets on the Balance Sheets. The amounts classified as Level 3 relate to FTRs.
(b) Included in Other within Current Liabilities and Other within Other Noncurrent Liabilities on the Balance Sheets. The amounts classified as Level 2 relate to interest rate swaps.

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3).

	Derivatives (net)	
	Years Ended December 31,	
(in thousands)	2023	2022
Balance at beginning of period	$ 4,560	$ 1,636
Purchases, sales, issuances and settlements:		
Purchases	4,842	3,660
Settlements	(3,780)	(3,800)
Total gains included on the Balance Sheets as regulatory assets or liabilities	(4,112)	3064
Balance at end of period	$ 1,510	$ 4,560

OTHER FAIR VALUE DISCLOSURES

The fair value of long-term debt, including current maturities, is summarized in the following table. Judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates determined are not necessarily indicative of the amounts Duke Energy Kentucky could have settled in current markets. The fair value of long-term debt is determined using Level 2 measurements.

	December 31, 2023		December 31, 2022	
(in thousands)	Book value	Fair value	Book value	Fair value
Long-Term debt, including current maturities	$ 704,562	$ 635,310	$ 779,157	$ 694,225

At December 31, 2023, and 2022, the fair value of cash and cash equivalents, accounts and notes receivable, and accounts and notes payable are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated rates approximate market rates.

12. VARIABLE INTEREST ENTITIES

A variable interest entity (VIE) is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis to determine whether an entity is a VIE considers contracts with an entity, credit support for an entity, the adequacy of the equity investment of an entity and the relationship of voting power to the amount of equity invested in an entity. This analysis is performed either upon the creation of a legal entity or upon the occurrence of an event requiring reevaluation, such as a significant change in an entity's assets or activities. A qualitative analysis of control determines the party that consolidates a VIE. This assessment is based on (i) what party has the power to direct the activities of the VIE that most significantly impact its economic performance and (ii) what party has rights to receive benefits or is obligated to absorb losses that could potentially be significant to the VIE. The analysis of the party that consolidates a VIE is a continual reassessment.

Cinergy Receivables Company

CRC is a bankruptcy remote, special purpose entity that is an affiliate of Duke Energy Kentucky. As discussed below, Duke Energy Kentucky does not consolidate CRC as it is not the primary beneficiary. On a revolving basis, CRC buys certain accounts receivable arising from the sale of electricity, natural gas and related services from Duke Energy Kentucky. CRC borrows amounts under a credit facility to buy the receivables from Duke Energy Kentucky. Borrowing availability from the credit facility is limited to the amount of qualified receivables sold to CRC which generally exclude receivables past due more than a predetermined number of days and reserves for expected past due balances. The sole source of funds to satisfy the related debt obligation is cash collections from the receivables. Amounts borrowed under the credit facility are reflected on the Balance Sheets as Long-Term Debt.

The proceeds Duke Energy Kentucky receives from the sale of receivables to CRC are approximately 75% cash and 25% in the form of a subordinated note from CRC. The subordinated note is a retained interest in the receivables sold. Duke Energy Kentucky had receivables of $33.8 million and $53.3 million from CRC at December 31, 2023, and 2022, respectively. These balances are included in Receivables from affiliated companies on the Balance Sheets and reflect Duke Energy Kentucky's retained interest in receivables sold to CRC.

CRC is considered a VIE because (i) equity capitalization is insufficient to support its operations, (ii) power to direct the activities that most significantly impact the economic performance of the entity is not held by the equity holder and (iii) deficiencies in net worth of CRC are funded by Duke Energy. The most significant activities that impact the economic performance of CRC are decisions made to manage delinquent receivables. Duke Energy is considered the primary beneficiary and consolidates CRC as it makes these decisions. Duke Energy Kentucky does not consolidate CRC.

The subordinated note held by Duke Energy Kentucky is stated at fair value. Carrying values of retained interests are determined by allocating carrying value of the receivables between assets sold and interests retained based on relative fair value. The allocated basis of the subordinated note is not materially different than the face value because (i) the receivables generally turnover in less than two months, (ii) credit losses are reasonably predictable due to the broad customer base and lack of significant concentration and (iii) the equity in CRC is subordinate to all retained interests and thus would absorb losses first. The hypothetical effect on fair value of the retained interests assuming both a 10% and a 20% unfavorable variation in credit losses or discount rates is not material due to the short turnover of receivables and historically low credit loss history. Interest accrues to Duke Energy Kentucky on the retained interests using the acceptable yield method. This method generally approximates the stated rate on the note since the allocated basis and the face value are nearly equivalent. An impairment charge is recorded against the carrying value of both retained interests and purchased beneficial interest whenever it is determined that an other-than-temporary impairment has occurred. Duke Energy Kentucky's maximum exposure to loss does not exceed the carrying value.

Key assumptions used in estimating fair value are detailed in the following table.

	2023	2022
Anticipated credit loss ratio	0.5%	0.4%
Discount rate	6.1%	2.7%
Receivables turnover rate	11.7%	11.4%

The following table presents gross and net receivables sold.

	December 31,	
(in thousands)	2023	2022
Receivables sold	$ 81,182	$ 102,233
Less: Retained interests	33,757	53,344
Net receivables sold	$ 47,425	$ 48,889

The following table shows sales and cash flows related to receivables sold.

	Years Ended December 31,	
(in thousands)	2023	2022
Sales		
Receivables sold	$ 613,410	$ 671,672
Loss recognized on sale	8,445	3,683
Cash flows		
Cash proceeds from receivables sold	$ 626,122	$ 637,042
Collection fees received	307	338
Return received on retained interests	4,874	2,635

Cash flows from sales of receivables are reflected within Cash Flows from Operating Activities and Cash Flows from Investing Activities on the Statements of Cash Flows.

Collection fees received in connection with the servicing of transferred accounts receivable are included in Operation, maintenance and other on the Statements of Operations. The loss recognized on sales of receivables is calculated monthly by multiplying receivables sold during the month by the required discount. The required discount is derived monthly utilizing a three-year weighted average formula that considers charge-off history, late charge history and turnover history on the sold receivables, as well as a component for the time value of money. The discount rate, or component for the time value of money, is the prior month-end Daily Simple Secured Overnight Financing Rate (SOFR) plus a fixed rate of 1.00%.

13. REVENUE

Duke Energy Kentucky recognizes revenue consistent with amounts billed under tariff offerings or at contractually agreed upon rates based on actual physical delivery of electric or natural gas service, including estimated volumes delivered when billings have not yet occurred. As such, the majority of Duke Energy Kentucky's revenues have fixed pricing based on the contractual terms of the published tariffs, with variability in expected cash flows attributable to the customer's volumetric demand and ultimate quantities of energy or natural gas supplied and used during the billing period. The stand-alone selling price of related sales are designed to support recovery of prudently incurred costs and an appropriate return on invested assets and are primarily governed by published tariff rates or contractual agreements approved by relevant regulatory bodies. Certain excise taxes and franchise fees levied by state or local governments are required to be paid even if not collected from the customer. These taxes are recognized on a gross basis as part of revenues. Duke Energy Kentucky elects to account for all other taxes net of revenues.

Performance obligations are satisfied over time as energy or natural gas is delivered and consumed with billings generally occurring monthly and related payments due within 30 days, depending on regulatory requirements. In no event does the timing between payment and delivery of the goods and services exceed one year. Using this output method for revenue recognition provides a faithful depiction of the transfer of electric and natural gas service as customers obtain control of the commodity and benefit from its use at delivery. Additionally, Duke Energy Kentucky has an enforceable right to consideration for energy or natural gas delivered at any discrete point in time and will recognize revenue at an amount that reflects the consideration to which Duke Energy Kentucky is entitled for the energy or natural gas delivered.

As described above, the majority of Duke Energy Kentucky's tariff revenues are at-will and, as such, related contracts with customers have an expected duration of one year or less and will not have future performance obligations for disclosure.

Duke Energy Kentucky earns substantially all of its revenues through the sale of electricity and natural gas.

Electricity Sales

Electric sales revenues are earned primarily through retail and wholesale electric service through the generation, transmission, distribution and sale of electricity. Duke Energy Kentucky generally provides retail electric service customers with their full electric load requirements and sells wholesale block sales of electricity into the market.

Retail electric service is generally marketed throughout Duke Energy Kentucky's electric service territory through standard service offers. The standard service offers are through tariffs determined by the KPSC. Each tariff, which is assigned to customers based on customer class, has multiple components such as an energy charge, customer charge, demand charge and applicable riders. Duke Energy Kentucky considers each of these components to be

aggregated into a single performance obligation for providing electric service. Electricity is considered a single performance obligation satisfied over time consistent with the series guidance and is provided and consumed over the billing period, generally one month. Retail electric service is typically provided to at-will customers who can cancel service at any time, without a substantive penalty. Additionally, Duke Energy Kentucky adheres to applicable regulatory requirements to ensure the collectability of amounts billed and
appropriate mitigating procedures are followed when necessary. As such, revenue from contracts with customers is equivalent to the electricity supplied and billed in that period (including unbilled estimates).

Wholesale electric service is provided through block sales of electricity. Revenues for block sales are recognized monthly as energy is delivered and stand-ready service is provided, consistent with invoiced amounts and unbilled estimates.

Natural Gas Sales

Natural gas sales revenues are earned through retail natural gas service through the transportation, distribution and sale of natural gas. Duke Energy Kentucky generally provides natural gas service customers with all natural gas load requirements. Additionally, while natural gas can be stored, substantially all natural gas provided by Duke Energy Kentucky is consumed by customers simultaneously with receipt of delivery.

Retail natural gas service is marketed throughout Duke Energy Kentucky's natural gas service territory using published tariff rates. The tariff rates are established by the KPSC. Each tariff, which is assigned to customers based on customer class, has multiple components, such as a commodity charge, customer or monthly charge and transportation costs. Duke Energy Kentucky considers each of these components to be aggregated into a single performance obligation for providing natural gas service. For contracts where Duke Energy Kentucky provides all of the customer's natural gas needs, the delivery of natural gas is considered a single performance obligation satisfied over time, and revenue is recognized monthly based on billings and unbilled estimates as service is provided and the commodity is consumed over the billing period. Additionally, natural gas service is typically at-will and customers can cancel service at any time, without a substantive penalty. Duke Energy Kentucky also adheres to applicable regulatory requirements to ensure the collectability of amounts billed and receivable and appropriate mitigating procedures are followed when necessary.

Disaggregated Revenues

For electric and natural gas sales, revenue by customer class is most meaningful to Duke Energy Kentucky as each respective customer class collectively represents unique customer expectations of service, generally has different energy and demand requirements and operates under tailored, regulatory approved pricing structures. Additionally, each customer class is impacted differently by weather and a variety of economic factors including the level of population growth, economic investment, employment levels and regulatory activities. As such, analyzing revenues disaggregated by customer class allows Duke Energy Kentucky to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Disaggregated revenues are presented as follows:

(in thousands)		Years Ended December 31,	
By market or type of customer		2023	2022
Electricity Sales			
Residential	$	171,241 $	200,151
General		176,078	185,987
Industrial		65,844	72,946
Wholesale[a]		16,965	51,207
Other revenues		23,998	(402)
Total Electricity Sales revenue from contracts with customers	$	454,126 $	509,889
Natural Gas Sales			
Residential	$	84,173 $	100,190
Commercial		38,129	46,546
Industrial		6,265	6,610
Other revenues		2,579	3,109
Total Natural Gas Sales revenue from contracts with customers	$	131,146 $	156,555
Total revenue from contracts with customers	$	585,272 $	666,444
Other revenue sources[b]		408	1,685
Total revenues	$	585,680 $	668,129

(a) Duke Energy Kentucky nets wholesale electric sales and purchases on an hourly basis. As such, the net position may result in fluctuations between positive and negative net revenues at the end of a reporting period.
(b) Other revenue sources include revenues from derivatives, leases and alternative revenue programs that are not considered revenues from contracts with customers.

The following table presents the reserve for credit losses for trade and other receivables.

(in thousands)		
Balance at December 31, 2021	$	315
Write-offs		(6)
Credit Loss Expense		222
Balance at December 31, 2022	$	531
Credit Loss Expense		215
Balance at December 31, 2023	$	746

Trade and other receivables are evaluated based on an estimate of the risk of loss over the life of the receivable and current and historical conditions using supportable assumptions. Management evaluates the risk of loss for trade and other receivables by comparing the historical write-off amounts to total revenue over a specified period. Historical loss rates are adjusted due to the impact of current conditions, as well as forecasted conditions over a reasonable time period. The calculated write-off rate can be applied to the receivable balance for which an established reserve does not already exist. Management reviews the assumptions and risk of loss periodically for trade and other receivables.

The aging of trade receivables is presented in the table below.

		December 31,	
(in thousands)		2023	2022
Unbilled Receivables[a][b]	$	1,995 $	13,722
Current		10,651	3,518
1-30 days past due		1,552	700
31-60 days past due		336	181
61-90 days past due		132	729
91+ days past due		4,503	3,480
Trade and Other Receivables	$	19,169 $	22,330

(a) Unbilled revenues are recognized by applying customer billing rates to the estimated volumes of energy or natural gas delivered but not yet billed and are included in Receivables on the Duke Energy Kentucky Balance Sheets. Unbilled receivables relate to transactions with PJM Interconnection, LLC.
(b) Duke Energy Kentucky sells, on a revolving basis, nearly all of its retail accounts receivable, including receivables for unbilled revenues, to CRC. As discussed further in Note 12, Duke Energy Kentucky accounts for these transfers of receivables as sales. Accordingly, the receivables sold are not reflected on the Balance Sheets. Receivables for unbilled revenues included in the sales of accounts receivable to CRC were $39 million and $44 million at December 31, 2023, and 2022, respectively.

14. SEVERANCE

Duke Energy Kentucky participates in severance plans for the general employee population under which, in general, the longer a terminated employee worked prior to termination the greater the amount of severance benefits provided. Duke Energy Kentucky also offers special termination benefits under voluntary severance programs.

Duke Energy Kentucky's direct and allocated severance and related charges accrued within Operation, maintenance and other on the Statements of Operations was $1,197 thousand and $220 thousand for the years ended December 31, 2023 and 2022, respectively.

Duke Energy Kentucky's severance liability balance recorded in Other within Current Liabilities on the Balance Sheets was $684 thousand for the year ended December 31, 2023. Duke Energy Kentucky did not have a severance liability balance recorded on the Balance Sheets for the year ended December 31, 2022.

15. EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT RETIREMENT PLANS

Duke Energy Kentucky participates in qualified, non-contributory defined benefit retirement plans, which consist of the Duke Energy Retirement Cash Balance Plan (RCBP) and the Duke Energy Legacy Pension Plan (DELPP). Duke Energy Kentucky participants also participate in non-qualified defined benefit retirement plans and other post-retirement benefit plans sponsored by Duke Energy. Duke Energy allocates pension and other post-retirement obligations and costs related to these plans to Duke Energy Kentucky. The plans cover most employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits based upon a percentage of current eligible earnings based on age and/or years of service and interest credits. Certain employees are covered under plans that use a final average earnings formula. Under these average earnings formulas, a plan participant accumulates a retirement benefit equal to the sum of percentages of their (i) highest three-year or four-year average earnings, (ii) highest three-year or four-year average earnings in excess of covered compensation per year of participation (maximum of 35 years) and/or (iii) highest three-year average earnings times years of participation in excess of 35 years. Duke Energy also maintains, and Duke Energy Kentucky participates in, non-qualified, non-contributory defined benefit retirement plans which cover certain executives. The qualified and non-qualified non-contributory defined benefit plans are closed to new participants.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations. Actuarial gains experienced by the defined benefit retirement plans in remeasuring plan assets on December 31, 2023, were primarily attributable to actual
investment performance that exceeded expected investment performance. Actuarial losses experienced by the defined benefit retirement plans in remeasuring plan obligations as of December 31, 2023 were primarily attributable to the decrease in the discount rate used to measure plan obligations. Actuarial losses experienced by the defined benefit retirement plans in remeasuring plan assets on December 31, 2022, were primarily attributable to actual investment performance that was less than expected investment performance. Actuarial gains experienced by the defined benefit retirement plans in remeasuring plan obligations as of December 31, 2022, were primarily attributable to the increase in the discount rate used to measure plan obligations.

As a result of the application of settlement accounting due to total lump-sum benefit payments exceeding the settlement threshold (defined as the sum of service cost and interest cost on projected benefit obligation components of net periodic benefit costs) for one of its qualified pension plans, Duke Energy Kentucky recognized settlement charges of $1,973 thousand which were recorded to Other Income and Expenses, net, within the Statements of Operations as of December 31, 2022. Settlement charges include amounts allocated by Duke Energy for employees of Duke Energy Kentucky and allocated charges for their proportionate share of settlement charges for employees of Duke Energy's shared services affiliate.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefit payments to be paid to plan participants. Actual contributions for Duke Energy Kentucky were $1,509 thousand and $853 thousand for the years ended December 31, 2023, and 2022, respectively.

Net periodic benefit costs disclosed in the tables below represent the cost of the respective plan for the periods presented prior to capitalization of amounts reflected as Net property, plant and equipment, on the Balance Sheets. Only the service cost component of net periodic benefit costs is eligible to be capitalized. The remaining non-capitalized portions of net periodic benefit costs are classified as either: (i) service cost, which is recorded in Operations, maintenance and other on the Statements of Operations; or as (ii) components of non-service cost, which is recorded in Other income and expenses, net, on the Statements of Operations. Amounts presented in the tables below represent the amounts of pension and other post-retirement benefit cost allocated by Duke Energy for employees of Duke Energy Kentucky. Additionally, Duke Energy Kentucky is allocated its proportionate share of pension and other post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provides support to Duke Energy Kentucky. These allocated amounts are included in the governance and shared services costs discussed in Note 9.

QUALIFIED PENSION PLANS

Components of Net Periodic Pension Costs

	Years Ended December 31,	
(in thousands)	2023	2022
Service cost	$ 623	$ 953
Interest cost on projected benefit obligation	4,088	3,089
Expected return on plan assets	(5,112)	(4,850)
Amortization of prior service credit	(89)	(85)
Amortization of actuarial loss	231	1,333
Amortization of settlement charges	—	1,973
Net periodic pension costs	$ (259)	$ 2,413

Amounts Recognized in Regulatory Assets

	December 31,	
(in thousands)	2023	2022
Regulatory assets, net (decrease)	$ (339)	$ (7,301)

Reconciliation of Funded Status to Net Amount Recognized

	Years Ended December 31,	
(in thousands)	2023	2022
Change in Projected Benefit Obligation		
Obligation at prior measurement date	$ 75,508	$ 104,450
Service cost	553	876
Interest cost	4,088	3,089
Actuarial (gains) losses	494	(20,763)
Benefits paid	(6,482)	(13,325)
Transfers [(a)]	(269)	1,201
Obligation at measurement date	$ 73,892	$ 75,508
Accumulated Benefit Obligation at measurement date	$ 72,775	$ 74,442
Change in Fair Value of Plan Assets		
Plan assets at prior measurement date	$ 67,753	$ 93,654
Actual return on plan assets	5,818	(14,630)
Benefits paid	(6,482)	(13,325)
Employer contributions	1,509	853
Transfers [(a)]	(269)	1,201
Plan assets at measurement date	$ 68,329	$ 67,753
Funded status of plan	$ (5,563)	$ (7,755)

(a) Transfers represents net amounts associated with plan participants that have moved to/from other Duke Energy subsidiaries.

Amounts Recognized in the Balance Sheets

	December 31,	
(in thousands)	2023	2022
Prefunded pension[(a)]	$ 18,345	$ 16,155
Noncurrent pension liability[(b)]	23,908	23,910
Net liability recognized	$ (5,563)	$ (7,755)
Regulatory assets	$ 22,321	$ 22,660

(a) Included in Other within Investments and Other Assets on the Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Balance Sheets.

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

(in thousands)	December 31, 2023		December 31, 2022
Projected benefit obligation	$	28,388	$ 28,794
Accumulated benefit obligation		27,240	27,728
Fair value of plan assets		4,450	4,884

Assumptions Used for Pension Benefits Accounting

	December 31, 2023	December 31, 2022
Benefit Obligations		
Discount rate	5.40 %	5.60 %
Interest crediting rate	4.15 %	4.35 %
Salary increase	3.50 %	3.50 %
Net Periodic Benefit Cost		
Discount rate	5.60 %	2.90% - 5.70%
Interest crediting rate	4.35 %	4.00 %
Salary increase	3.50 %	3.50 %
Expected long-term rate of return on plan assets	6.50% - 8.25%	6.50 %

The discount rate used to determine the current year pension obligation and following year's pension expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

NON-QUALIFIED PENSION PLANS

The accumulated benefit obligation, which equals the projected benefit obligation for non-qualified pension plans, was zero for Duke Energy Kentucky as of December 31, 2023. Employer contributions, which equal benefits paid for non-qualified pension plans, were zero for the year ended December 31, 2023. Net periodic pension costs for non-qualified pension plans were not material for the years ended December 31, 2022, or 2021.

OTHER POST-RETIREMENT BENEFIT PLANS

Duke Energy provides, and Duke Energy Kentucky participates in, some health care and life insurance benefits for retired employees on a contributory and non-contributory basis. Employees are eligible for these benefits if they have met age and service requirements at retirement, as defined in the plans. The health care benefits include medical, dental and prescription drug coverage and are subject to certain limitations, such as deductibles and co-payments.

Duke Energy did not make any pre-funding contributions to its other post-retirement benefit plans during the years ended December 31, 2023, and 2022.

Components of Net Periodic Other Post-Retirement Benefit Costs

(in thousands)	Years Ended December 31, 2023		Years Ended December 31, 2022	
Service cost	$	35	$	51
Interest cost on accumulated post-retirement benefit obligation		199		112
Expected return on plan assets		(65)		(62)
Amortization of actuarial (gain) loss		(358)		188
Amortization of prior service credit		(32)		(66)
Net periodic post-retirement pension costs	$	(221)	$	223

Amounts Recognized in Regulatory Assets and Regulatory Liabilities

(in thousands)	December 31, 2023		December 31, 2022	
Regulatory assets, net increase (decrease)	$	101	$	(1,447)
Regulatory liabilities, net decrease		(590)		(333)

Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

(in thousands)	Years Ended December 31, 2023		Years Ended December 31, 2022	
Change in Projected Benefit Obligation				
Accumulated post-retirement benefit obligation at prior measurement date	$	3,912	$	4,194
Service cost		35		51
Interest cost		199		112
Plan participants' contributions		120		179
Actuarial loss (gain)		232		(8)
Benefits paid		(582)		(616)
Accumulated post-retirement benefit obligation at measurement date	$	3,916	$	3,912
Change in Fair Value of Plan Assets				
Plan assets at prior measurement date	$	1,243	$	1,575
401(h) asset transfers		(177)		—
Actual return on plan assets		60		(234)
Benefits paid		(582)		(616)
Employer contributions		466		339
Plan participants' contributions		120		179
Plan assets at measurement date	$	1,138	$	1,243
Funded status of plan	$	(2,778)	$	(2,669)

Amounts Recognized in the Balance Sheets

(in thousands)	December 31, 2023		December 31, 2022	
Current post-retirement liability[(a)]	$	167	$	166
Noncurrent post-retirement liability[(b)]		2,611		2,503
Total accrued post-retirement liability	$	2,778	$	2,669
Regulatory assets	$	181	$	—
Regulatory liabilities	$	5,246	$	5,836

(a) Included in Other within Current Liabilities on the Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Balance Sheets.

Assumptions Used for Other Post-Retirement Benefits Accounting

	December 31,	
	2023	2022
Benefit Obligations		
Discount rate	5.40 %	5.60 %
Net Periodic Benefit Cost		
Discount rate	5.60 %	2.90 %
Expected long-term rate of return on plan assets	6.50% - 8.25%	6.50 %

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

Assumed Health Care Cost Trend Rate

	December 31,	
	2023	2022
Health care cost trend rate assumed for next year - pre-65 trend	6.50 %	6.50 %
Health care cost trend rate assumed for next year - post-65 trend	— %	6.50 %
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.75 %	4.75 %
Year that the rate reaches the ultimate trend rate	2031-2032	2030-2032

Expected Benefit Payments

The following table presents Duke Energy's expected benefit payments to participants on behalf of Duke Energy Kentucky in its qualified and other post-retirement benefit plans over the next 10 years. These benefit payments reflect expected future service, as appropriate.

(in thousands)	Qualified Plans	Other Post-Retirement Plans	Total
Years ending December 31,			
2024	$ 6,285	$ 897	$ 7,182
2025	6,076	718	6,794
2026	6,139	604	6,743
2027	6,115	503	6,618
2028	6,249	421	6,670
2029–2033	29,571	1,085	30,656

MASTER RETIREMENT TRUST

The assets for the Duke Energy Kentucky plans discussed above are derived from the Master Retirement Trust (Master Trust) that is held by Duke Energy and, as such, Duke Energy Kentucky is allocated its proportionate share of assets discussed below. Assets for both the qualified pension and other post-retirement benefits are maintained in the Master Trust. Duke Energy also invests other post-retirement assets in Voluntary Employees' Beneficiary Association trusts. The investment objective is to achieve sufficient returns, subject to a prudent level of portfolio risk, for the purpose of promoting the security of plan benefits for participants. As of December 31, 2023, Duke Energy assumes qualified pension and other post-retirement plan assets will generate a long-term rate of return of 8.50% for the RCBP account assets and 7.00% for the DELPP account assets. The expected long-term rate of return was developed using a weighted average calculation of expected
returns based primarily on future expected returns across asset classes considering the use of active asset managers, where applicable. The asset allocation targets were set after considering the investment objective and the risk profile. Equity securities are held for their high expected return. Debt securities are primarily held to hedge the qualified pension plan liability. Return seeking debt securities, hedge funds and other global securities are held for diversification. Investments within asset classes are diversified to achieve broad market participation and reduce the impact of individual managers or investments.

Effective January 1, 2024, the target asset allocation for the RCBP account assets is 35% liability hedging and 65% return-seeking assets and the target asset allocation for the DELPP account assets is 80% liability hedging assets and 20% return-seeking assets. Duke Energy periodically reviews its asset allocation targets, and over time, as the funded status of the benefit plans increase, the level of asset risk relative to plan liabilities may be reduced to better manage Duke Energy's benefit plan liabilities and reduce funded status volatility.

The following table includes the target asset allocations by asset class at December 31, 2023, and the actual asset allocations for the RCBP assets.

	Target	Actual Allocation at December 31,	
Asset Category	Allocation	2023	2022
Global equity securities	45 %	45 %	49 %
Global private equity securities	2 %	2 %	2 %
Debt securities	35 %	35 %	30 %
Return seeking debt securities	7 %	6 %	7 %
Hedge funds	4 %	4 %	6 %
Real estate and cash	7 %	8 %	6 %
Total	100 %	100 %	100 %

The following table includes the target asset allocations by asset class at December 31, 2023, and the actual asset allocations for the DELPP assets.

	Target	Actual Allocation at December 31,	
Asset Category	Allocation	2023	2022
Global equity securities	14 %	14 %	14 %
Global private equity securities	1 %	— %	— %
Debt securities	80 %	79 %	80 %
Return seeking debt securities	2 %	2 %	2 %
Hedge funds	1 %	2 %	2 %
Real estate and cash	2 %	3 %	2 %
Total	100 %	100 %	100 %

EMPLOYEE SAVINGS PLAN

Duke Energy Kentucky also participates in employee savings plans sponsored by Duke Energy. Most employees participate in a matching contribution formula where Duke Energy provides a matching contribution generally equal to 100% of employee before-tax and Roth 401(k) contributions and, as applicable, after-tax contributions of up to 6% of eligible pay per period.

For new and rehired non-union and certain unionized employees who are not eligible to participate in Duke Energy's defined benefit plans, an additional employer contribution of 4% of eligible pay per pay period, which is subject to a three-year vesting schedule, is provided to the employee's savings plan account.

Duke Energy Kentucky's expense related to its proportionate share of pretax employer contributions and the additional 4% employer contribution was $1,264 thousand and $1,385 thousand for the years ended December 31, 2023, and 2022, respectively.

16. INCOME TAXES

INCOME TAX EXPENSE

Components of Income Tax Expense

(in thousands)	Years Ended December 31, 2023	2022
Current income taxes		
Federal	$ (8,466)	$ 9,494
State	(4,289)	1,390
Total current income taxes	(12,755)	10,884
Deferred income taxes		
Federal	20,459	(396)
State	7,766	1,713
Total deferred income taxes(a)	28,225	1,317
Investment tax credit amortization	(144)	(195)
Total income tax expense included in Statements of Operations	$ 15,326	$ 12,006

(a) Total deferred income taxes includes the generation of NOL carryforwards and tax credit carryforwards of $6.5 million at Duke Energy Kentucky in 2023.

Statutory Rate Reconciliation

The following table presents a reconciliation of income tax expense at the U.S. federal statutory tax rate to actual tax expense.

(in thousands)	Years Ended December 31, 2023	2022
Income tax expense, computed at the statutory rate of 21%	$ 16,902	$ 14,817
State income tax, net of federal income tax effect	2,747	2,452
Amortization of excess deferred income tax	(3,853)	(4,887)
Tax credits	(450)	(403)
Other items, net	(20)	27
Total income tax expense	$ 15,326	$ 12,006
Effective tax rate	19.0 %	17.0 %

DEFERRED TAXES

Net Deferred Income Tax Liability Components

(in thousands)	Years Ended December 31, 2023	2022
Deferred credits and other liabilities	$ 755	$ 1,991
Lease obligations	1,958	2,088
Tax credits and NOL carryforwards	11,763	5,310
Pension, post-retirement and other employee benefits	2,122	3,117
Regulatory liabilities and deferred credits	—	10,105
Other	2,207	1,008
Total deferred income tax assets	18,805	23,619
Accelerated depreciation rates	(325,644)	(300,336)
Regulatory assets and deferred debits, net	(2,066)	—
Total deferred income tax liabilities	(327,710)	(300,336)
Net deferred income tax liabilities	$ (308,905)	$ (276,717)

The following table presents the expiration of tax credits and NOL carryforwards.

(in thousands)	December 31, 2023 Amount	Expiration Year		
General business credits	$ 7,456	2024	—	2043
Corporate AMT Credits	4,230		Indefinite	
Federal NOL carryforward	42		Indefinite	
State NOL carryforward	35		2037	
Total tax credits and NOL carryforwards	$ 11,763			

UNRECOGNIZED TAX BENEFITS

The following table presents changes to unrecognized tax benefits.

(in thousands)	Years Ended December 31, 2023	2022
Unrecognized tax benefits – January 1	$ 501	$ 474
Unrecognized tax benefit increases	53	27
Unrecognized tax benefits – December 31	$ 554	$ 501

The following table includes additional information regarding the unrecognized tax benefits at December 31, 2023. Duke Energy Kentucky does not expect a decrease in unrecognized tax benefits within the next 12 months.

(in thousands)	December 31, 2023
Amount that if recognized, would affect the effective tax rate or regulatory liability(a)	$ 554

(a) Duke Energy Kentucky is unable to estimate the specific amounts that would affect the effective tax rate versus the regulatory liability.

OTHER TAX MATTERS

Duke Energy Kentucky recognized no interest income, interest expense or penalties related to income taxes on the Statements of Operations in 2023, or 2022. As of December 31, 2023, and 2022, no amounts were recognized on the Balance Sheets for interest or penalties related to income taxes.

Duke Energy Kentucky is no longer subject to federal, state and local income tax examinations by tax authorities for years before 2018, aside from certain tax attributes carried forward for utilization in future years.

17. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 12, 2024. For information on subsequent events related to regulatory matters, see Note 2.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-For-Sale Securities (b)	Minimum Pension Liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1	Balance of Account 219 at Beginning of Preceding Year									
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income									
3	Preceding Quarter/Year to Date Changes in Fair Value									
4	Total (lines 2 and 3)								58,552,018	58,552,018
5	Balance of Account 219 at End of Preceding Quarter/Year									
6	Balance of Account 219 at Beginning of Current Year									
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income									
8	Current Quarter/Year to Date Changes in Fair Value									
9	Total (lines 7 and 8)								65,162,216	65,162,216
10	Balance of Account 219 at End of Current Quarter/Year									

Page 122 (a)(b)

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company For the Current Year/Quarter Ended (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)
1	UTILITY PLANT							
2	In Service							
3	Plant in Service (Classified)	2,930,717,440	2,068,717,625	817,976,397				44,023,418
4	Property Under Capital Leases	7,430,114	[a]7,430,114					
5	Plant Purchased or Sold							
6	Completed Construction not Classified	364,699,106	242,307,572	112,121,705				10,269,829
7	Experimental Plant Unclassified							
8	Total (3 thru 7)	3,302,846,660	2,318,455,311	930,098,102				54,293,247
9	Leased to Others							
10	Held for Future Use	265,679		265,679				
11	Construction Work in Progress	96,665,887	56,278,990	40,126,069				260,828
12	Acquisition Adjustments							
13	Total Utility Plant (8 thru 12)	3,399,778,226	2,374,734,301	970,489,850				54,554,075
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,125,191,209	880,996,299	217,489,712				26,705,198
15	Net Utility Plant (13 less 14)	2,274,587,017	1,493,738,002	753,000,138				27,848,877
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
17	In Service:							
18	Depreciation	1,060,604,085	858,179,936	198,176,985				4,247,164
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights							

20	Amortization of Underground Storage Land and Land Rights							
21	Amortization of Other Utility Plant	64,587,124	22,816,363	19,312,727				22,458,034
22	Total in Service (18 thru 21)	1,125,191,209	880,996,299	217,489,712				26,705,198
23	Leased to Others							
24	Depreciation							
25	Amortization and Depletion							
26	Total Leased to Others (24 & 25)							
27	Held for Future Use							
28	Depreciation							
29	Amortization							
30	Total Held for Future Use (28 & 29)							
31	Abandonment of Leases (Natural Gas)							
32	Amortization of Plant Acquisition Adjustment							
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,125,191,209	880,996,299	217,489,712				26,705,198

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: UtilityPlantInServicePropertyUnderCapitalLeases

Property Under Capital Leases includes Net Operating Leases of $7,430,114.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)	Changes during Year Amortization (d)	Changes during Year Other Reductions (Explain in a footnote) (e)	Balance End of Year (f)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)					
2	Fabrication					
3	Nuclear Materials					
4	Allowance for Funds Used during Construction					
5	(Other Overhead Construction Costs, provide details in footnote)					
6	SUBTOTAL (Total 2 thru 5)					
7	Nuclear Fuel Materials and Assemblies					
8	In Stock (120.2)					
9	In Reactor (120.3)					
10	SUBTOTAL (Total 8 & 9)					
11	Spent Nuclear Fuel (120.4)					
12	Nuclear Fuel Under Capital Leases (120.6)					
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)					
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)					
15	Estimated Net Salvage Value of Nuclear Materials in Line 9					
16	Estimated Net Salvage Value of Nuclear Materials in Line 11					
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing					
18	Nuclear Materials held for Sale (157)					
19	Uranium					
20	Plutonium					
21	Other (Provide details in footnote)					

22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of the prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.
7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.
9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date.

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	1. INTANGIBLE PLANT						
2	(301) Organization						
3	(302) Franchise and Consents						
4	(303) Miscellaneous Intangible Plant	31,446,204	3,034,769				34,480,973
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	31,446,204	3,034,769				34,480,973
6	2. PRODUCTION PLANT						
7	A. Steam Production Plant						
8	(310) Land and Land Rights	7,046,984					7,046,984
9	(311) Structures and Improvements	183,101,985	2,946,056	(1,474,043)			187,522,084
10	(312) Boiler Plant Equipment	557,786,365	20,042,737	5,007,778			572,821,324
11	(313) Engines and Engine-Driven Generators						
12	(314) Turbogenerator Units	115,439,405	2,434,360	(768,522)			118,642,287
13	(315) Accessory Electric Equipment	49,744,602	280,588	51,532			49,973,658
14	(316) Misc. Power Plant Equipment	24,131,008	1,022,112	54,489			25,098,631

15	(317) Asset Retirement Costs for Steam Production	130,004,405	(10,430,346)		(30,443,033)		89,131,026
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	1,067,254,754	16,295,507	2,871,234	(30,443,033)		1,050,235,994
17	B. Nuclear Production Plant						
18	(320) Land and Land Rights						
19	(321) Structures and Improvements						
20	(322) Reactor Plant Equipment						
21	(323) Turbogenerator Units						
22	(324) Accessory Electric Equipment						
23	(325) Misc. Power Plant Equipment						
24	(326) Asset Retirement Costs for Nuclear Production						
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)						
26	C. Hydraulic Production Plant						
27	(330) Land and Land Rights						
28	(331) Structures and Improvements						
29	(332) Reservoirs, Dams, and Waterways						
30	(333) Water Wheels, Turbines, and Generators						
31	(334) Accessory Electric Equipment						
32	(335) Misc. Power Plant Equipment						
33	(336) Roads, Railroads, and Bridges						
34	(337) Asset Retirement Costs for Hydraulic Production						
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)						
36	D. Other Production Plant						
37	(340) Land and Land Rights	2,258,589					2,258,589
38	(341) Structures and Improvements	36,402,708	1,816,184	85,823			38,133,069
39	(342) Fuel Holders, Products, and Accessories	61,310,890	201,598	47,556			61,464,932

40	(343) Prime Movers	10,506,033					10,506,033
41	(344) Generators	221,726,476	3,598,522	373,878			224,951,120
42	(345) Accessory Electric Equipment	21,592,722	3,827,389	4,809			25,415,302
43	(346) Misc. Power Plant Equipment	5,185,498	428,410				5,613,908
44	(347) Asset Retirement Costs for Other Production		442,832				442,832
44.1	(348) Energy Storage Equipment - Production						
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	358,982,916	10,314,935	512,066			368,785,785
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	1,426,237,670	26,610,442	3,383,300	(30,443,033)		1,419,021,779
47	3. Transmission Plant						
48	(350) Land and Land Rights	9,142,810	355,783				9,498,593
48.1	(351) Energy Storage Equipment - Transmission						
49	(352) Structures and Improvements	6,033,045	(1)				6,033,044
50	(353) Station Equipment	59,173,880	315,162	77,849			59,411,193
51	(354) Towers and Fixtures						
52	(355) Poles and Fixtures	15,598,412	27,534,222	920,446		(283,745)	41,928,443
53	(356) Overhead Conductors and Devices	16,837,755	1,170,809	586,882		283,745	17,705,427
54	(357) Underground Conduit						
55	(358) Underground Conductors and Devices						
56	(359) Roads and Trails						
57	(359.1) Asset Retirement Costs for Transmission Plant						
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	106,785,902	29,375,975	1,585,177			134,576,700
59	4. Distribution Plant						
60	(360) Land and Land Rights	21,183,797	398,577				21,582,374
61	(361) Structures and Improvements	1,680,412	1,645,882	(501)			3,326,795
62	(362) Station Equipment	128,565,810	5,710,789	478,498			133,798,101
63	(363) Energy Storage Equipment – Distribution						
64	(364) Poles, Towers, and Fixtures	76,775,574	3,024,322	790,875			79,009,021

65	(365) Overhead Conductors and Devices	156,529,479	5,116,485	186,909			161,459,055
66	(366) Underground Conduit	43,936,408	4,235,866	56,779			48,115,495
67	(367) Underground Conductors and Devices	85,664,699	9,404,087	(286,622)			95,355,408
68	(368) Line Transformers	77,536,348	4,127,842	341,942			81,322,248
69	(369) Services	21,260,357	1,140,992	711			22,400,638
70	(370) Meters	31,103,796	847,379	347			31,950,828
71	(371) Installations on Customer Premises	1,171,988	213,393	12,642			1,372,739
72	(372) Leased Property on Customer Premises	9,647					9,647
73	(373) Street Lighting and Signal Systems	10,219,567	1,176,885	129,985			11,266,467
74	(374) Asset Retirement Costs for Distribution Plant						
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	655,637,882	37,042,499	1,711,565			690,968,816
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT						
77	(380) Land and Land Rights						
78	(381) Structures and Improvements						
79	(382) Computer Hardware						
80	(383) Computer Software						
81	(384) Communication Equipment						
82	(385) Miscellaneous Regional Transmission and Market Operation Plant						
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper						
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)						
85	6. General Plant						
86	(389) Land and Land Rights						
87	(390) Structures and Improvements	165,342					165,342
88	(391) Office Furniture and Equipment	5,979,475	1,430,797	1,167,902			6,242,370
89	(392) Transportation Equipment	1,212,406		16,049			1,196,357
90	(393) Stores Equipment						

91	(394) Tools, Shop and Garage Equipment	3,524,927	154,371	16,223			3,663,075
92	(395) Laboratory Equipment						
93	(396) Power Operated Equipment	11,770					11,770
94	(397) Communication Equipment	13,325,171	7,373,442	598			20,698,015
95	(398) Miscellaneous Equipment						
96	SUBTOTAL (Enter Total of lines 86 thru 95)	24,219,091	8,958,610	1,200,772			31,976,929
97	(399) Other Tangible Property						
98	(399.1) Asset Retirement Costs for General Plant						
99	TOTAL General Plant (Enter Total of lines 96, 97, and 98)	24,219,091	8,958,610	1,200,772			31,976,929
100	TOTAL (Accounts 101 and 106)	2,244,326,749	105,022,296	7,880,814	(30,443,033)		2,311,025,198
101	(102) Electric Plant Purchased (See Instr. 8)						
102	(Less) (102) Electric Plant Sold (See Instr. 8)						
103	(103) Experimental Plant Unclassified						
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	2,244,326,749	[a]105,022,296	7,880,814	(30,443,033)		2,311,025,198

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: ElectricPlantInServiceAdditions

The balances above do not include Operating Lease Activity

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (a)	* (Designation of Associated Company) (b)	Description of Property Leased (c)	Commission Authorization (d)	Expiration Date of Lease (e)	Balance at End of Year (f)
1						
2						
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41						
42						
43						
44						
45						
46						
47	TOTAL					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $250,000 or more. Group other items of property held for future use.
2. For property having an original cost of $250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2				
3				
4				
5				
6				
7				
8				
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10				
11				
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15				
16				
17				
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21	Other Property:			
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47	TOTAL			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts).
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	DISTRIBUTION PLANT	
2	0	
3	DISTRIBUTION OVERHEAD/UNDERGROUND LINE IMPROVEMENTS	5,462,609
4	LITTON SUB	4,482,973
5	SUBOPT - DONALDSON (55) 5543	3,650,532
6	SUBOPT - HEBRON - 0042	1,832,906
7	WHITE TOWER BK 2 RPL - M180383	1,079,871
8	PROJECTS LESS THAN $1 MILLION	10,440,479
9	GENERAL PLANT	
10	0	
11	PROJECTS LESS THAN $1 MILLION	1,881,453
12	INTANGIBLE PLANT	
13	0	
14	SMART GRID DEE DMS ADMS - 336	2,036,045
15	PROJECTS LESS THAN $1 MILLION	3,982,832
16	PRODUCTION PLANT	
17	0	
18	EB 2023 OPTIM ST VALVE CVGV U2	4,847,963
19	EB OWEN ELECTRIC FEED REPLACEMENT	1,256,265
20	EB WSP VACUUM DRUM FILTER	1,154,267
21	PROJECTS LESS THAN $1 MILLION	8,512,133
22	TRANSMISSION PLANT	
23	0	
24	LITTON SUB	1,768,311
25	PROJECTS LESS THAN $1 MILLION	3,890,251
26	0	
43	Total	56,278,990

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 12, column (c), and that reported for electric plant in service, page 204, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Line No.	Item (a)	Total (c + d + e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased To Others (e)
	Section A. Balances and Changes During Year				
1	Balance Beginning of Year	821,792,072	821,792,072		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	53,727,825	53,727,825		
4	(403.1) Depreciation Expense for Asset Retirement Costs	1,527	1,527		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	85,240	85,240		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9.1	Other Accounts (Specify, details in footnote):				
9.2	EastBend Depreciation	(490,618)	(490,618)		
9.3	Common Plant Depreciation	(249,365)	(249,365)		
9.4	ARO Depreciation Deferred	5,110,881	5,110,881		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	58,185,490	58,185,490		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(6,691,525)	(a)(6,691,525)		
13	Cost of Removal	(15,564,780)	(15,564,780)		
14	Salvage (Credit)	612,308	612,308		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	(21,643,997)	(21,643,997)		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17.1	Other Debit or Cr. Items (Describe, details in footnote):				
17.2	Other Cost of Removal/Salvage Activity				
17.3	Main Basin ARO				

17.4	Gain & Loss on sale/disposal of assets				
17.5	Misc. Adjustments	(38,610)	(38,610)		
17.6	Common Allocation	(115,019)	(115,019)		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	858,179,936	858,179,936		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	468,317,144	468,317,144		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	211,994,660	211,994,660		
25	Transmission	12,445,053	12,445,053		
26	Distribution	160,353,451	160,353,451		
27	Regional Transmission and Market Operation				
28	General	5,069,628	5,069,628		
29	TOTAL (Enter Total of lines 20 thru 28)	858,179,936	858,179,936		

FOOTNOTE DATA

(a) Concept: BookCostOfRetiredPlant
Retirements in account 0111100 of $1,189,289.30 not reported on FERC Page 219

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-TOTAL by company and give a TOTAL in columns (e), (f), (g) and (h). (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate. (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.
4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								

22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42	Total Cost of Account 123.1 $		Total					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	38,881,864	39,838,611	Gas and Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	(a)2,217,861	(b)4,043,156	Gas and Electric
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	15,485,923	21,095,936	Electric
8	Transmission Plant (Estimated)	31	22	Electric
9	Distribution Plant (Estimated)	212,011	315,405	Gas and Electric
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	17,915,826	25,454,519	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	(c)1,478,647	(d)1,851,053	Gas and Electric
17				
18				
19				
20	TOTAL Materials and Supplies	58,276,337	67,144,183	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: PlantMaterialsAndOperatingSuppliesConstruction
Production 1,550,407Transmission 371Distribution 667,083
(b) Concept: PlantMaterialsAndOperatingSuppliesConstruction
Production 3,349,791Transmission 381Distribution 692,984
(c) Concept: StoresExpenseUndistributed
Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of $33 is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance including Assigned To Construction and Transmission Plant to Total M&S balance.
(d) Concept: StoresExpenseUndistributed
Account 163 - Functionalized for use with PJM Attachments H-22A: Transmission portion of $29 is calculated by multiplying Account 163 balance by ratio of Transmission M&S balance including Assigned To Construction and Transmission Plant to Total M&S balance.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on Line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.
6. Report on Line 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquired and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of and identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	Year One No. (d)	Year One Amt. (e)	Year Two No. (f)	Year Two Amt. (g)	Year Three No. (h)	Year Three Amt. (i)	Future Years No. (j)	Future Years Amt. (k)	Totals No. (l)	Totals Amt. (m)
1	Balance-Beginning of Year	270,170 [a]	16,280	29,387		25,041		25,041		651,066		1,000,705	16,280
2													
3	Acquired During Year:												
4	Issued (Less Withheld Allow)												
5	Returned by EPA												
6													
7													
8	Purchases/Transfers:												
9													
10													
11													
12													
13													
14													
15	Total												
16													
17	Relinquished During Year:												
18	Charges to Account 509												
19	Other:												
20	Allowances Used												

20.1	Allowances Used												
21	Cost of Sales/Transfers:												
22													
23													
24													
25													
26													
27													
28	Total												
29	Balance-End of Year	270,170	16,280	29,387		25,041		25,041		651,066		1,000,705	16,280
30													
31	Sales:												
32	Net Sales Proceeds(Assoc. Co.)												
33	Net Sales Proceeds (Other)												
34	Gains												
35	Losses												
	Allowances Withheld (Acct 158.2)												
36	Balance-Beginning of Year												
37	Add: Withheld by EPA												
38	Deduct: Returned by EPA												
39	Cost of Sales												
40	Balance-End of Year												
41													
42	Sales												
43	Net Sales Proceeds (Assoc. Co.)												
44	Net Sales Proceeds (Other)												
45	Gains												
46	Losses												

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: AllowanceInventoryNumber

Balances includes allowances for Cross State Air Pollution Rule and the Acid Rain Program.

(b) Concept: AllowanceInventoryNumber

Balances includes allowances for Cross State Air Pollution Rule and the Acid Rain Program.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on Line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.
6. Report on Line 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquired and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of and identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	Year One No. (d)	Year One Amt. (e)	Year Two No. (f)	Year Two Amt. (g)	Year Three No. (h)	Year Three Amt. (i)	Future Years No. (j)	Future Years Amt. (k)	Totals No. (l)	Totals Amt. (m)
1	Balance-Beginning of Year	[a]18,549	2,190	3,292								21,841	2,190
2													
3	Acquired During Year:												
4	Issued (Less Withheld Allow)												
5	Returned by EPA												
6													
7													
8	Purchases/Transfers:												
9													
10													
11													
12													
13													
14													
15	Total												
16													
17	Relinquished During Year:												
18	Charges to Account 509												
19	Other:												
20	Allowances Used												

20.1	Allowances Used												
21	Cost of Sales/Transfers:												
22	Cost of Sales												
23													
24													
25													
26													
27													
28	Total												
29	Balance-End of Year	[(a)]18,549	2,190	3,292								21,841	2,190
30													
31	Sales:												
32	Net Sales Proceeds(Assoc. Co.)												
33	Net Sales Proceeds (Other)												
34	Gains												
35	Losses												
	Allowances Withheld (Acct 158.2)												
36	Balance-Beginning of Year												
37	Add: Withheld by EPA												
38	Deduct: Returned by EPA												
39	Cost of Sales												
40	Balance-End of Year												
41													
42	Sales												
43	Net Sales Proceeds (Assoc. Co.)												
44	Net Sales Proceeds (Other)												
45	Gains												
46	Losses												

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: AllowanceInventoryNumber

Balances includes allowances for Cross State Air Pollution Rule only.

(b) Concept: AllowanceInventoryNumber

Balances includes allowances for Cross State Air Pollution Rule only.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
20	TOTAL					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of COmmission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						

49	TOTAL					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20	Total				
21	**Generation Studies**				
22					
23					
24					
25					
26					

27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39	Total				
40	Grand Total				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During Quarter/Year Account Charged (d)	CREDITS Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	INCOME TAXES	5,632,605	1,072,041			6,704,646
2	DEMAND SIDE MANAGEMENT COSTS - (Amortized in accordance with rider revenue) - Order #2017-321, Order #2015-368, Order #2014-388	1,438,430	(1,440,003)			(1,573)
3	INTEREST RATE HEDGES (Amortized over life associated debt) - Order #2006-563	1,547,895	(161,623)			1,386,272
4	ESM DEFERRAL - Order #2017-321	9,130,625	(1,513,369)			7,617,256
5	FTR DEFERRAL					
6	REPS INCREMENTAL COSTS		917			917
7	ARO OTHER REGULATORY ASSET	324,281	572,696			896,977
8	GAS ARO OTHER REGULATORY ASSET	7,550,785	723,636			8,274,421
9	ARO CONTRA-REGULATORY ASSET - Order #2017-321	(4,380,021)	1,667,500			(2,712,521)
10	COAL ASH DEFERRED SPEND - Order #2015-187	16,844				16,844
11	COAL ASH ARO - Order #2015-187	(18,078,041)	23,806,652			5,728,611
12	COAL ASH CONTRA EQUITY - Order #2017-321	(524,659)	94,620			(430,039)
13	SPEND RA AMORTIZATION (NC & MW) - Order #2017-321	10,687,885		182.3, 407.3, 421, 431	1,636,942	9,050,943
14	SPEND RA AMORTIZATION (SC & FL) - Order #2017-321	6,850,944	12,965,638	407.3	17,509,034	2,307,548
15	DEK DEFERRED STORM EXPENSE - Order #2018-416	490,491		593	210,211	280,280
16	CARBON MANAGEMENT REGULATORY ASSET (Amortized 120 months, beginning May 2018) -Order#2017-321- Order#2008-308	1,066,645		407.3	199,996	866,649

17	HURRICANE IKE REGULATORY ASSET (Amortized 60 months, beginning May 2018) Order #2017-321, Order #2008-476	327,512		407.3	327,512	
18	EAST BEND PLANT O&M DEFERRAL (Amortized 120 months, beginning May 2018) Order #2017-321, Order #2014-201	23,296,965	103	407.3, 407.4	3,570,790	19,726,278
19	EAST BEND DEPRECIATION DEFERRAL (Amortized over remaining life of asset) Order#2015-120	9,217,649		403	490,618	8,727,031
20	Non-AMI Meter NBV (Amortized 146 months, beginning May 2018) Order #2017-321	3,129,861		407.3, 421	368,588	2,761,273
21	Opt-Out IT Modification (Amortized 60 months, beginning May 2018) Order #2017-321, Order #2016-152	10,480		407.3	10,480	
22	Plant Outage Normalization Order - #2017-321; Amortized 60 months, beginning October 2023 Order #2022-00372	9,557,239	2,476,527	407.3	361,855	11,671,911
23	Deferred Forced Outage Purchased Power Order #2017-321; Amortized 60 months, beginning October 2023 Order #2022-00372	5,649,974	110,070	407.3, 557	1,336,329	4,423,715
24	GAS RATE CASE DEFERRAL (Amortized 60 months, beginning April 2019) - Order #2018-261	63,790		928	51,031	12,759
25	DEFERRED GAS INTEGRITY COSTS (Amortized 120 months, beginning April 2018) Order #2018-261, Order #2016-159	1,948,502		407.3, 407.4	277,266	1,671,236
26	OTHER REGULATORY ASSETS - GENERAL ACCOUNTING - FERC Docket No. A107-1-000	22,659,650		128, 182.3, 228.3, 925	338,934	22,320,716
27	PENSION POST RETIRE PURCHASE ACCOUNTING - Q - FERC Docket No. A107-1-000	3,240,643		128, 182.3, 228.3, 926	137,316	3,103,327
28	PENSION POST RETIRE PURCHASE ACCOUNTING - NQ - FERC Docket No. A107-1-000	(34,951)	96			(34,855)
29	PENSION POST RETIRE PURCHASE ACCOUNTING - FAS - FERC Docket No. A107-1-000	1,279,066		182.3	149,796	1,129,270
30	Misc. ST Reg Assets					
31	Cust. Connect Deferral LT Order #2021-00190	918,578		407.3	124,047	794,531
32	Deferred CIS O&M Current Order # 2021-00190	124,047				124,047
33	OPEB FAS 106 - Medical		180,930			180,930
44	TOTAL	103,143,714	40,556,431		27,100,745	116,599,400

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Credits Account Charged (d)	CREDITS Credits Amount (e)	Balance at End of Year (f)
1	Vacation accrual	1,121,433	(9,471)			1,111,962
2	Straight Line Lease Deferral - amortized 01/20 - 12/38	362,759	758,634	242	697,035	424,358
3	DEK 2017 Rate Case - amortized 05/18 - 04/23	177,504		928	78,890	98,614
4	DEK 2019 Rate Case - Electric - amortized 05/20 - 04/25	158,278		928	67,834	90,444
5	DEK 2021 Rate Case - Gas - amortized 01/22 - 12/26	180,285		928	44,939	135,346
6	Indirect overhead allocation pool - Undistributed	74,149	28,047			102,196
7	DEK 2022 Rate Case - Electric - amortized 10/23 - 9/28	302,639	469,751			772,390
8	Validation Adjustment					
47	Miscellaneous Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	2,377,047				2,735,310

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: MiscellaneousDeferredDebits
Deferred Regulatory Comm. Expenses (See pages 350-351) is presented within page 233 by accounts.
(b) Concept: MiscellaneousDeferredDebits
Deferred Regulatory Comm. Expenses (See pages 350-351) is presented within page 233 by accounts.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Electric	56,936,752	55,425,410
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	56,936,752	55,425,410
9	Gas		
10		17,519,260	19,284,940
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)	17,519,260	19,284,940
17.1	Other (Specify)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	74,456,012	74,710,350

Notes

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Shares (e)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	Common Stock (Account 201)									
2	Common Stock	1,000,000	15.00		585,333	8,779,995				
7	Total	1,000,000			585,333	8,779,995				
8	Preferred Stock (Account 204)									
9										
10										
11										
12	Total									
1	Capital Stock (Accounts 201 and 204) - Data Conversion									
2										
3										
4										
5	Total									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 2024-04-15	Year/Period of Report End of: 2023/ Q4

Other Paid-in Capital

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.
Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	**Donations Received from Stockholders (Account 208)**	
2	Beginning Balance Amount	148,811,383
3.1	Increases (Decreases) from Sales of Donations Received from Stockholders	
4	Ending Balance Amount	148,811,383
5	**Reduction in Par or Stated Value of Capital Stock (Account 209)**	
6	Beginning Balance Amount	
7.1	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock	
8	Ending Balance Amount	
9	**Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)**	
10	Beginning Balance Amount	
11.1	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock	
12	Ending Balance Amount	
13	**Miscellaneous Paid-In Capital (Account 211)**	
14	Beginning Balance Amount	124,843,806
15.1	Increases (Decreases) Due to Miscellaneous Paid-In Capital	[a]185,000,000
16	Ending Balance Amount	309,843,806
17	**Historical Data - Other Paid in Capital**	
18	Beginning Balance Amount	
19.1	Increases (Decreases) in Other Paid-In Capital	
20	Ending Balance Amount	
40	Total	458,655,189

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 2024-04-15	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: IncreasesDecreasesDueToMiscellaneousPaidInCapital

Two equity infusions ($35M + $150M) from the parent.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22	TOTAL	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances fro Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds, and in column (I
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. companies from which advances were received, and in column (b) include the related account number.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued, and in column
5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose o
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (between the total of column (m) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Related Account Number (b)	Principal Amount of Debt Issued (c)	Total Expense, Premium or Discount (d)	Total Expense (e)	Total Premium (f)	Total Discount (g)	Nominal Date of Issue (h)	Date of Maturity (i)	AMORTIZATION PERIOD Date From (j)	A I
1	Bonds (Account 221)										
2											
3											
4											
5	Subtotal										
6	Reacquired Bonds (Account 222)										
7											
8											
9											
10	Subtotal										
11	Advances from Associated Companies (Account 223)										
12	[(a)] Intercompany Moneypool Notes Payable-Long Term, 5.627%		25,000,000					12/15/2014	03/17/2028	10/01/2023	
13	Subtotal		25,000,000								
14	Other Long Term Debt (Account 224)										

15	6.20% SERIES DUE IN 2036		65,000,000		653,550		367,900	03/10/2006	03/10/2036	03/10/2006	
16	2008 SERIES POLLUTION CONTROL REFUNDING BONDS DUE IN 2027 3.700%		50,000,000		691,754			06/27/2022	08/01/2027	06/27/2022	
17	(a) 2010 SERIES A POLLUTION CONTROL REFUNDING BONDS DUE IN 2027, 3.950%		26,720,000		939,966			02/01/2012	08/01/2027	02/01/2012	
18	(a) TERM LOAN DUE IN 2023, 6.533%		50,000,000					10/12/2021	10/12/2023	10/12/2021	
19	3.42% SERIES DUE IN 2026		45,000,000		220,191			01/05/2016	01/15/2026	01/05/2016	
20	4.45% SERIES DUE IN 2046		50,000,000		247,535			01/05/2016	01/15/2046	01/05/2016	
21	3.35% SERIES DUE IN 2029		30,000,000		124,475			09/07/2017	09/15/2029	09/07/2017	
22	4.11% SERIES DUE IN 2047		30,000,000		124,475			09/07/2017	09/15/2047	09/07/2017	
23	4.26% SERIES DUE IN 2057		30,000,000		124,475			09/07/2017	09/15/2057	09/07/2017	
24	4.01% SERIES DUE IN 2023		25,000,000		111,522			10/03/2018	10/15/2023	10/03/2018	
25	4.18% SERIES DUE IN 2028		40,000,000		156,522			10/03/2018	10/15/2028	10/03/2018	
26	4.62% SERIES DUE IN 2048		35,000,000		141,522			12/12/2018	12/15/2048	12/12/2018	
27	4.32% SERIES DUE IN 2049		40,000,000		195,082			07/17/2019	07/15/2049	07/17/2019	
28	3.23% SERIES DUE IN 2025		95,000,000		415,082			09/26/2019	10/01/2025	09/26/2019	
29	3.56% SERIES DUE IN 2029		75,000,000		335,082			09/26/2019	10/01/2029	09/26/2019	
30	2.65% SERIES DUE IN 2030		35,000,000		127,283			09/15/2020	09/15/2030	09/15/2020	
31	3.66% SERIES DUE IN 2050		35,000,000		127,283			09/15/2020	09/15/2050	09/15/2020	

32	[a] Footnote											
33	Subtotal		756,720,000		4,735,799		367,900					
33	TOTAL		781,720,000									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: ClassAndSeriesOfObligationCouponRateDescription

The interest rate varies on this note. The interest rate is as of December 31, 2023.

(b) Concept: ClassAndSeriesOfObligationCouponRateDescription

The interest rate varies on this pollution control bond. The interest rate is as of December 31, 2023.

(c) Concept: ClassAndSeriesOfObligationCouponRateDescription

The interest rate varies on this term loan bond. The interest rate is as of December 19, 2023.In October 2023, the DEK $50M Term Loan outstanding was increased by $25M to a total of $75M and extended to a new maturity date in April 2024.Next, in December 2023, DE Kentucky paid off the $75M Term Loan; therefore, at year end there was no outstanding DEK Term Loan.

(d) Concept: ClassAndSeriesOfObligationCouponRateDescription

On December 2, 2022 the Kentucky PSC approved Duke Energy Kentucky's long-term financing application authorizing the issuance of up to $275 million of secured and/or unsecured notes, and $76.72 million of tax-exempt private activity bonds to refund existing tax exempt bonds. Authorization expires 12/31/2024.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	65,162,216
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	4,411,527
6	Total	4,411,527
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal & State Income Tax Deducted for Books	11,096,106
11	State Income Tax Deduction	21,420,838
12	Bad Debts	214,846
13	Book Depreciation	79,783,310
14	Capitalized Hardware/Software	43,086
15	Coal Ash Spend, Net of Capitalized Portion	14,303,645
16	Deferred Revenue	258,049
17	Demand Side Management Deferral	2,121,738
18	Impairment of Plant Assets	55,354
19	Lobbying	360,000
20	Loss on Reacquired Debt	118,160
21	Meals	171,000
22	Offsite Gas Storage Costs	392,864
23	Regulatory Asset - Carbon Management	199,996
24	Regulatory Asset - Deferred Plant Costs	4,061,305
25	Regulatory Asset - Non-AMI Meters	368,588
26	Regulatory Asset - Opt Out Tariff IT Modifications	10,480
27	Regulatory Asset - Vacation Carryover	9,472
28	Regulatory Asset- Storm Damage Recovery	327,512
29	Regulatory Liability - Rate Case Expenses	67,834

30	Regulatory Liability - RSLI & Other Misc Dfd Costs	277,266
31	Storm Cost Deferral	210,211
32	Tax Interest Capitalized	3,469,617
33	Transportation Benefits	24,000
34	Unbilled Revenue - Fuel	3,895,257
35	Deferred Costs - Customer Connect	124,047
36	Non-Cash Overhead Basis Adjustment	247,459
37	Capitalized 174 R&D Expense	1,000,000
38	Extra Facility Lighting	18,520
39	Severance Reserve - LT	684,250
40	Workers Com Reserve	245,042
41	Entertainment	19,000
42	Total	145,598,852
14	Income Recorded on Books Not Included in Return	
15	Allowance for Funds Used During Construction	1,057,191
16	Total	1,057,191
19	Deductions on Return Not Charged Against Book Income	
20	AFUDC Interest	4,117,502
21	Asset Retirement Obligation	79,928
22	Benefits Accruals	3,567,219
23	Cost of Removal	16,496,243
24	Environmental Reserve	29,869
25	Equipment/T&D Repairs	141,009,370
26	Mark to Market	45,668
27	Regulatory Asset - ESM Deferral	154,131
28	Regulatory Asset - Rate Case Expenses	294,891
29	Regulatory Asset - Transition from MISO to PJM	218,404
30	Regulatory Liability - Outage Costs	888,412
31	Tax Depreciation/Amortization	78,200,000
32	Tax Gains/Losses	360,000
33	Unamortized Debt Premium	8,845
34	Property Tax Reserves	7,650,166
35	Rate Refunds	163,539
36	Gas Supplier Refunds	595,616
37	Lease Adjustments	578,135
38	Regulatory Asset - Deferred Revenue	7,377,203
39	Regulatory Asset - FAS 158	370,459

40	Charitable Contribution Carryover	202,194
41	REPS Incremental Costs	917
42	Total	262,408,711
27	Federal Tax Net Income	(48,293,307)
28	Show Computation of Tax:	
29	Tax at 21% for Electric, Water, Non-Utility and Gas	(10,141,594)
30	Prior Year Federal Tax True Ups	787,096
31	Corporate Alternative Minimum Tax	888,300
32	Total Federal Income Tax	(8,466,198)

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

TAXES ACCRUED, PREPAID AND CHARGES DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts durin been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amour
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in the inclusion of these taxes.
3. Include in column (g) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.
5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifyin
6. Enter all adjustments of the accrued and prepaid tax accounts in column (i) and explain each adjustment in a foot- note. Designate debit adjustments
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmit
8. Report in columns (l) through (o) how the taxes were distributed. Report in column (o) only the amounts charged to Accounts 408.1 and 409.1 pertain Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (o) the ta:
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	State (c)	Tax Year (d)	BALANCE AT BEGINNING OF YEAR: Taxes Accrued (Account 236) (e)	BALANCE AT BEGINNING OF YEAR: Prepaid Taxes (Include in Account 165) (f)	Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	BALANCE AT E YEAR: Taxes Accrued (Account 236) (j)	F (I A
1	Social Security Tax	Federal Tax	Federal	2023	(323,425)		1,557,979	1,323,284		(88,730)	
2	**Subtotal Federal Tax**				(323,425)		1,557,979	1,323,284		(88,730)	
3	Sales and Use	State Tax	KY	2023							
4	Property Tax	Local Tax	KY	2023							
5	State Property Tax	Property Tax	KY	2023	25,539,901		13,249,320	14,435,009		24,354,212	
6	**Subtotal Property Tax**				25,539,901		13,249,320	14,435,009		24,354,212	
7	Fed Unemployment	Unemployment Tax	Federal	2023	392		7,864	8,095		161	
8	State Unemployment	Unemployment Tax	Other	2023	(13,405)		1,608	(19)	(a)13,405	1,627	
9	OH Unemployment Tax	Unemployment Tax	OH	2023			1,457	17,060		(15,603)	
10	KY Unemployment Tax	Unemployment Tax	KY	2023			3,080	5,362	(b)(13,405)	(15,687)	
11	**Subtotal Unemployment Tax**				(13,013)		14,009	30,498		(29,502)	
12	KY Sales and Use Tax	Sales And Use Tax	KY	2023	424,456	0	2,954,336	2,847,553		531,239	
13	OH Sales and Use Tax	Sales And Use Tax	OH	2023	17,736	0	39,706	53,493		3,949	
14	Other Sales and Use Tax	Sales And Use Tax	Other	2023	99,604	0	14,559			114,163	

15	**Subtotal Sales And Use Tax**				541,796	0	3,008,601	2,901,046		649,351	
16	Fed Income Tax	Income Tax	Federal	2023	11,138,840		(8,466,199)	22,060,650		(19,388,009)	
17	State Income Tax	Income Tax	KY	2023	2,331,794		(4,289,282)	3,351,162		(5,308,650)	
18	**Subtotal Income Tax**				13,470,634		(12,755,481)	25,411,812		(24,696,659)	
19	State Franchise	Franchise Tax	Various	2023	0		6,433	6,433		0	
20	**Subtotal Franchise Tax**				0		6,433	6,433		0	
21	Miscellaneous Tax	Miscellaneous Other Tax	Various	2023	0	0	(4,979)	(4,979)		0	
22	**Subtotal Miscellaneous Other Tax**				0	0	(4,979)	(4,979)		0	
40	TOTAL				39,215,893		5,075,882	44,103,103		188,672	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: TaxAdjustments

Transfer of balance to line number 10

(b) Concept: TaxAdjustments

Transfer of balance from line number 8

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year: Account No. (c)	Deferred for Year: Amount (d)	Allocations to Current Year's Income: Account No. (e)	Allocations to Current Year's Income: Amount (f)	Adjustments (g)	Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION (j)
1	Electric Utility									
2	3%									
3	4%									
4	7%									
5	10%									
6	30%	3,235,578	190	1,900,127				5,135,705	25 years	
8	TOTAL Electric (Enter Total of lines 2 thru 7)	3,235,578		1,900,127				5,135,705		
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)									
10										
11	Gas - 4									
12	Gas -10	128,988			411.4	143,719		(14,732)		
13	Total Gas	128,988				143,719		(14,732)		
47	OTHER TOTAL									
48	GRAND TOTAL	3,364,566				143,719		5,120,973		

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1	MISO MTEP Accrual	11,854,798			(218,404)	11,636,394
2	Deferred Revenue -Outdoor Lighting	1,608,050	415	375,389	633,437	1,866,098
3	Amort period 10 years over life					
4	of contracts					
5	MGP Reserve	617,795				617,795
6	FTR MTM gains/losses				83,862	83,862
7	Gas Refunds	727,030	805	486,174	(109,441)	131,415
8	Amort period varies					
9	SCHM Exec Cash Bal Plan					
10	SCHM Tax&S/L For Surplus Mat'L					
11	Deferred Prepaid EF-Lighting		454	1,147	19,667	18,520
47	TOTAL	14,807,673		862,710	409,121	14,354,084

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
2. For other (Specify),include deferrals relating to other income and deductions.
3. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR: Amounts Debited to Account 410.1 (c)	CHANGES DURING YEAR: Amounts Credited to Account 411.1 (d)	CHANGES DURING YEAR: Amounts Debited to Account 410.2 (e)	CHANGES DURING YEAR: Amounts Credited to Account 411.2 (f)	ADJUSTMENTS: Debits: Account Credited (g)	ADJUSTMENTS: Debits: Amount (h)	ADJUSTMENTS: Credits: Account Debited (i)	ADJUSTMENTS: Credits: Amount (j)	Balance at End of Year (k)
1	Accelerated Amortization (Account 281)										
2	Electric										
3	Defense Facilities										
4	Pollution Control Facilities										
5	Other										
5.1	Other (provide details in footnote):										
8	TOTAL Electric (Enter Total of lines 3 thru 7)										
9	Gas										
10	Defense Facilities										
11	Pollution Control Facilities										
12	Other										
12.1	Other (provide details in footnote):										
15	TOTAL Gas (Enter Total of lines 10 thru 14)										
16	Other										
16.1	Other										
16.2	Other										
17	TOTAL (Acct 281) (Total of 8, 15 and 16)										

18	Classification of TOTAL										
19	Federal Income Tax										
20	State Income Tax										
21	Local Income Tax										

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization.
2. For other (Specify),include deferrals relating to other income and deductions.
3. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS				Balance at End of Year (k)
							Debits		Credits		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	
1	Account 282										
2	Electric	247,110,114	23,908,438	30,412,179	598,082	9,777				[a] 766,511	241,961,189
3	Gas	80,099,784	36,775,156	18,526,747	12,862,397	489	182.3	84,417	146	3,842	111,129,526
4	Other (Specify)										
5	Total (Total of lines 2 thru 4)	327,209,898	60,683,594	48,938,926	13,460,479	10,266		84,417		770,353	353,090,715
6											
7											
8											
9	TOTAL Account 282 (Total of Lines 5 thru 8)	327,209,898	60,683,594	48,938,926	13,460,479	10,266		84,417		770,353	353,090,715
10	Classification of TOTAL										
11	Federal Income Tax	267,257,997	47,807,554	39,224,340	10,777,306	8,220		60,753		616,903	287,166,447
12	State Income Tax	59,951,901	12,876,040	9,714,586	2,683,173	2,046		23,664		153,450	65,924,268
13	Local Income Tax										

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherPropertyAdjustmentsCreditedToAccount

Offset to account 182.3	756,561	Offset to account 146	9,950 Total	766,511

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify),include deferrals relating to other income and deductions.
3. Provide in the space below explanations for Page 276. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR: Amounts Debited to Account 410.1 (c)	CHANGES DURING YEAR: Amounts Credited to Account 411.1 (d)	CHANGES DURING YEAR: Amounts Debited to Account 410.2 (e)	CHANGES DURING YEAR: Amounts Credited to Account 411.2 (f)	ADJUSTMENTS: Debits: Account Credited (g)	ADJUSTMENTS: Debits: Amount (h)	ADJUSTMENTS: Credits: Account Debited (i)	ADJUSTMENTS: Credits: Amount (j)	Balance at End of Year (k)
1	Account 283										
2	Electric										
3	Electric	18,642,835	10,348,396	4,128,197			146	35,064		269,595 [(a)]	25,097,565
9	TOTAL Electric (Total of lines 3 thru 8)	18,642,835	10,348,396	4,128,197				35,064		269,595	25,097,565
10	Gas										
11	Gas	5,320,077	315,892	194,162				40,285 [(b)]		[(c)] 25,596	5,427,118
17	TOTAL Gas (Total of lines 11 thru 16)	5,320,077	315,892	194,162				40,285		25,596	5,427,118
18	TOTAL Other										
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	23,962,912	10,664,288	4,322,359				75,349		295,191	30,524,683
20	Classification of TOTAL										
21	Federal Income Tax	19,560,000	8,538,501	3,460,753				75,349		191,311	24,753,710
22	State Income Tax	4,402,912	2,125,787	861,606						103,880	5,770,973
23	Local Income Tax										

NOTES

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherAdjustmentsCreditedToAccount

Offset to account 182.3	269,540	Offset to account 146	55	Total	269,595

(b) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherAdjustmentsDebitedToAccount

Offset to account 182.3	27,848	Offset to account 146	12,437	Total	40,285

(c) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherAdjustmentsCreditedToAccount

Offset to account 182.3	25,515	Offset to account 146	81	Total	25,596

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS Account Credited (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Current Quarter/Year (f)
1	INCOME TAXES	116,498,980	190, 411	5,407,728	583,133	111,674,385
2	PENSION COSTS	5,835,534	182.3, 228.3, 926	1,410,783	821,357	5,246,108
3	DSM ENERGY EFFICIENCY-Order #2015-00368	1,594,895			681,734	2,276,629
4	DEFERRED FORCED OUTAGE-Order #2017-00321					
5	Tax Regulatory Liab - Reclass	241,056			(241,056)	
6	Open Int Rate Swap Cur Rg Liab				280,474	280,474
7	Deferred Regulatory Liability				572,974	572,974
41	TOTAL	124,170,465		6,818,511	2,698,616	120,050,570

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Electric Operating Revenues

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of $250,000 or greater in a footnote for accounts 451, 456, and 457.2.
6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See page 108, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	MEGAWATT HOURS SOLD Year to Date Quarterly/Annual (d)	MEGAWATT HOURS SOLD Amount Previous year (no Quarterly) (e)	AVG.NO. CUSTOMERS PER MONTH Current Year (no Quarterly) (f)	AVG.NO. CUSTOMERS PER MONTH Previous Year (no Quarterly) (g)
1	Sales of Electricity						
2	(440) Residential Sales	171,174,866	200,134,403	1,408,351	1,518,206	136,696	134,068
3	(442) Commercial and Industrial Sales						
4	Small (or Comm.) (See Instr. 4)	152,483,229	158,778,513	1,460,309	1,448,218	12,734	13,031
5	Large (or Ind.) (See Instr. 4)	65,832,366	72,940,893	742,796	755,019	312	336
6	(444) Public Street and Highway Lighting	551,855	1,859,753	12,163	12,832	512	567
7	(445) Other Sales to Public Authorities	23,013,094	25,333,652	224,929	241,213	873	899
8	(446) Sales to Railroads and Railways						
9	(448) Interdepartmental Sales	31,256	110,541	348	1,071		
10	TOTAL Sales to Ultimate Consumers	413,086,666	459,157,755	3,848,896	3,976,559	151,127	148,901
11	(447) Sales for Resale	16,965,211	51,207,036	397,898	492,508	1	1
12	TOTAL Sales of Electricity	430,051,877	510,364,791	4,246,794	4,469,067	151,128	148,902
13	(Less) (449.1) Provision for Rate Refunds	(10,091,777)	9,275,161				
14	TOTAL Revenues Before Prov. for Refunds	440,143,654	501,089,630	4,246,794	4,469,067	151,128	148,902
15	Other Operating Revenues						
16	(450) Forfeited Discounts						

17	(451) Miscellaneous Service Revenues	(54,308)	241,789				
18	(453) Sales of Water and Water Power						
19	(454) Rent from Electric Property	1,872,614	1,545,653				
20	(455) Interdepartmental Rents						
21	(456) Other Electric Revenues	5,158,249	4,476,371				
22	(456.1) Revenues from Transmission of Electricity of Others	3,288,733	5,887,584				
23	(457.1) Regional Control Service Revenues	212,421	218,485				
24	(457.2) Miscellaneous Revenues	2,696,555	1,883,254				
25	Other Miscellaneous Operating Revenues						
26	TOTAL Other Operating Revenues	13,174,264	14,253,136				
27	TOTAL Electric Operating Revenues	453,317,918	515,342,766				

Line12, column (b) includes $ (1,796,331) of unbilled revenues.
Line12, column (d) includes (20,989) MWH relating to unbilled revenues

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: MiscellaneousServiceRevenues

Non-Utility Miscellaneous Revenue	$	(71,265)
Power Delivery Revenue		23,972
Green Power		91,266
Jobbing and Contract Work		(98,281)
Total	$	(54,308)

(b) Concept: OtherElectricRevenue

RSG Revenue - MISO Make Whole	$	5,143,381
Other Electric Revenues		10,000
Profit Or Loss On Sale Of M&S		4,268
Data Processing Service		—
Sales & Use Tax Collection Fee		600
Gross Up-Contr In Aid Of Const		—
Total	$	5,158,249

(c) Concept: MiscellaneousRevenue

PJM Reactive Rev	$	2,696,555
Total	$	2,696,555

(d) Concept: MiscellaneousServiceRevenues

Non-Utility Miscellaneous Revenue	$	281,111
Power Delivery Revenue		13,730
Green Power		13,530
Jobbing and Contract Work		(66,582)
Total	$	241,789

(e) Concept: OtherElectricRevenue

RSG Revenue - MISO Make Whole	$	4,469,491
Other Electric Revenues		6250
Profit Or Loss On Sale Of M&S		0
Data Processing Service		80
Sales & Use Tax Collection Fee		550
Gross Up-Contr In Aid Of Const		—
Total	$	4,476,371

(f) Concept: MiscellaneousRevenue

PJM Reactive Rev	$	1,883,254
Total	$	1,883,254

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Scheduling, System Control, and Dispatch	50,351	98,280	160,950	212,421
46	TOTAL	50,351	98,280	160,950	212,421

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Residential SHEET 30 (1)	1,412,524	172,147,345	136,578	10,342	0.1219
2	Residential SHEET 62	1,224	70,197	118	10,371	0.0574
41	TOTAL Billed Residential Sales	1,413,748	172,217,542	136,696	20,713	0.1218
42	TOTAL Unbilled Rev. (See Instr. 6)	(5,397)	(1,042,676)			0.1932
43	TOTAL	1,408,351	171,174,866	136,696	20,713	0.1215

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Commercial Sales SHEET 40 (8)	945,094	106,477,771	8,167	115,721	0.1127
2	Commercial Sales SHEET 41 (13)	502,301	44,987,499	4,342	115,684	0.0896
3	Commercial Sales SHEET 42 (9)	8,369	757,482	72	116,236	0.0905
4	Commercial Sales SHEET 43 (10)	2	442	0		0.2210
5	Commercial Sales SHEET 44 (11)	6,103	699,034	53	115,151	0.1145
6	Commercial Sales SHEET 45 (12)	7,763	951,032	67	115,866	0.1225
7	Commercial Sales SHEET 60 (18)	38	2,119	0		0.0558
8	Commercial Sales SHEET 61 (17)	6	479	0		0.0798
9	Commercial Sales SHEET 62(15)	3,835	210,479	33	116,212	0.0549
41	TOTAL Billed Small or Commercial	1,473,511	154,086,337	12,734	694,870	0.1046
42	TOTAL Unbilled Rev. Small or Commercial (See Instr. 6)	(13,202)	(1,603,108)			0.1214
43	TOTAL Small or Commercial	1,460,309	152,483,229	12,734	694,870	0.1044

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Industrial Sales SHEET 40 (8)	79,225	8,807,856	33	2,400,758	0.1112
2	Industrial Sales SHEET 41 (13)	497,659	44,498,144	209	2,381,144	0.0894
3	Industrial Sales SHEET 44 (11)	1	157	0		0.1570
4	Industrial Sales SHEET 45 (12)	2,295	264,235	1	2,295,000	0.1151
5	Industrial Sales SHEET 51 (14)	164,502	12,272,362	69	2,384,087	0.0746
6	Industrial Sales SHEET 62(15)	155	8,613	0		0.0556
41	TOTAL Billed Large (or Ind.) Sales	743,837	65,851,367	312	9,460,988	0.0885
42	TOTAL Unbilled Rev. Large (or Ind.) (See Instr. 6)	(1,041)	(19,001)			0.0183
43	TOTAL Large (or Ind.)	742,796	65,832,366	312	9,460,988	0.0886

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

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3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Sheet 40 (24)					
2	Sheet 60 (25)	6,794	798,718	286	23,755	0.1176
3	Sheet 66 (26)	301	48,115	12	25,083	0.1599
4	Sheet 62	2,230	128,922	94	23,723	0.0578
5	SHEET 68	89	4,849	4	22,250	0.0545
6	SHEET 69 (19)	1,322	149,565	56	23,607	0.1131
7	Sheet 61 (29)	1,427	95,298	60	23,783	0.0668
41	TOTAL Billed Public Street and Highway Lighting	12,163	1,225,467	512	142,202	0.1008
42	TOTAL Unbilled Rev. (See Instr. 6)		(673,612)			
43	TOTAL	12,163	551,855	512	142,202	0.0454

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	SHEET 30 (30)					
2	SHEET 40(31)	100,630	11,785,409	388	259,356	0.1171
3	SHEET 42(32)	9,488	849,559	37	256,432	0.0895
4	SHEET 43 (33)	223	33,402	1	223,000	0.1498
5	SHEET 44 (34)	159	18,334	1	159,000	0.1153
6	SHEET 45 (35)	5,392	524,855	21	256,762	0.0973
7	SHEET 41 (36)	79,595	7,231,599	306	260,114	0.0909
8	SHEET 51 (37)	30,217	2,394,736	117	258,265	0.0793
9	SHEET 65 (38)					
10	SHEET 73 (41)					
11	SHEET 62 (43)	574	30,951	2	287,000	0.0539
41	TOTAL Billed Other Sales to Public Authorities	226,278	22,868,845	873	1,959,929	0.1011
42	TOTAL Unbilled Rev. (See Instr. 6)	(1,349)	144,249			(0.1069)
43	TOTAL	224,929	23,013,094	873	1,959,929	0.1023

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Interdepartmental Sales	348	31,256			0.0898
41	TOTAL Billed Interdepartmental Sales	348	31,256			0.0898
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL	348	31,256			0.0898

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
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36						
37						
38						
39						
40						
41	TOTAL Billed Provision For Rate Refunds					
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL		(10,091,777)			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
41	TOTAL Billed - All Accounts	3,869,885	416,280,814	151,127	12,278,703	0.1076
42	TOTAL Unbilled Rev. (See Instr. 6) - All Accounts	(20,989)	(3,194,148)			0.1522
43	TOTAL - All Accounts	3,848,896	413,086,666	151,127	12,278,703	0.1073

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.

SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.

LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (g) through (k).
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,line 24.
10. Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	ACTUAL DEMAND (MW) Average Monthly NCP Demand (e)	ACTUAL DEMAND (MW) Average Monthly CP Demand (f)	Megawatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	REVENUE Energy Charges ($) (i)	REVENUE Other Charges ($) (j)	Total ($) (h+i+j) (k)
1	PJM Settlement, Inc.	OS	MBRT1				397,566	2,276,777	14,891,632		17,168,408

2	Calpine Energy Sv EG	OS	MBRT1					(610,571)			(610,571)
3	PJM Settlement, Inc.	AD	MBRT1				332		407,374		407,374
15	Subtotal - RQ										
16	Subtotal-Non-RQ						397,898	1,666,206	15,299,006		16,965,211
17	Total						397,898	1,666,206	15,299,006		16,965,211

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	2,239,802	2,152,838
5	(501) Fuel	86,740,248	81,365,197
6	(502) Steam Expenses	18,574,589	18,288,601
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	656,778	762,945
10	(506) Miscellaneous Steam Power Expenses	1,854,935	1,596,342
11	(507) Rents		
12	(509) Allowances		632
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	110,066,352	104,166,555
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	2,220,714	1,850,692
16	(511) Maintenance of Structures	1,233,960	3,059,078
17	(512) Maintenance of Boiler Plant	12,794,927	9,678,546
18	(513) Maintenance of Electric Plant	1,812,799	2,483,188
19	(514) Maintenance of Miscellaneous Steam Plant	2,243,461	2,271,346
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	20,305,861	19,342,850
21	TOTAL Power Production Expenses-Steam Power (Enter Total of Lines 13 & 20)	130,372,213	123,509,405
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		

30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuclear. Power (Enter Total of lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (Total of Lines 50 & 58)		
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	179,320	291,805
63	(547) Fuel	7,849,637	14,710,136
64	(548) Generation Expenses	355,950	240,412

64.1	(548.1) Operation of Energy Storage Equipment		
65	(549) Miscellaneous Other Power Generation Expenses	1,158,257	1,212,513
66	(550) Rents		
67	TOTAL Operation (Enter Total of Lines 62 thru 67)	9,543,164	16,454,866
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	142,984	207,298
70	(552) Maintenance of Structures	197,355	166,953
71	(553) Maintenance of Generating and Electric Plant	920,564	647,118
71.1	(553.1) Maintenance of Energy Storage Equipment		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	355,206	296,228
73	TOTAL Maintenance (Enter Total of Lines 69 thru 72)	1,616,109	1,317,597
74	TOTAL Power Production Expenses-Other Power (Enter Total of Lines 67 & 73)	11,159,273	17,772,463
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	61,373,449	142,594,801
76.1	(555.1) Power Purchased for Storage Operations		
77	(556) System Control and Load Dispatching	(6,777)	37
78	(557) Other Expenses	5,893,445	3,772,654
79	TOTAL Other Power Supply Exp (Enter Total of Lines 76 thru 78)	67,260,117	146,367,492
80	TOTAL Power Production Expenses (Total of Lines 21, 41, 59, 74 & 79)	208,791,603	287,649,360
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,419	3,710
85	(561.1) Load Dispatch-Reliability	76,720	84,220
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	360,219	370,259
87	(561.3) Load Dispatch-Transmission Service and Scheduling	45,373	49,714
88	(561.4) Scheduling, System Control and Dispatch Services	2,693,777	1,988,719
89	(561.5) Reliability, Planning and Standards Development	12,878	
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services	1,987,145	2,046,435
93	(562) Station Expenses	69,187	127,509
93.1	(562.1) Operation of Energy Storage Equipment		
94	(563) Overhead Lines Expenses	78,268	116,780
95	(564) Underground Lines Expenses		

96	(565) Transmission of Electricity by Others	22,364,509	21,126,946
97	(566) Miscellaneous Transmission Expenses	113,989	104,372
98	(567) Rents		
99	TOTAL Operation (Enter Total of Lines 83 thru 98)	27,803,484	26,018,664
100	Maintenance		
101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures	17,031	27,569
103	(569.1) Maintenance of Computer Hardware	790	
104	(569.2) Maintenance of Computer Software	63,393	50,073
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	136,516	237,523
107.1	(570.1) Maintenance of Energy Storage Equipment		
108	(571) Maintenance of Overhead Lines	786,506	637,356
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant		
111	TOTAL Maintenance (Total of Lines 101 thru 110)	1,004,236	952,521
112	TOTAL Transmission Expenses (Total of Lines 99 and 111)	28,807,720	26,971,185
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services	2,028,421	1,800,217
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	2,028,421	1,800,217
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		

130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Operation Expenses (Enter Total of Lines 123 and 130)	2,028,421	1,800,217
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	100,086	80,623
135	(581) Load Dispatching	460,268	339,858
136	(582) Station Expenses	19,923	99,295
137	(583) Overhead Line Expenses	236,689	224,989
138	(584) Underground Line Expenses	527,015	402,156
138.1	(584.1) Operation of Energy Storage Equipment	13	
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	443,261	478,901
141	(587) Customer Installations Expenses	537,178	678,611
142	(588) Miscellaneous Expenses	1,585,369	2,003,402
143	(589) Rents	15,020	59,153
144	TOTAL Operation (Enter Total of Lines 134 thru 143)	3,924,822	4,366,988
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	103,103	96,278
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment	417,132	362,911
148.1	(592.2) Maintenance of Energy Storage Equipment		
149	(593) Maintenance of Overhead Lines	6,561,383	9,286,304
150	(594) Maintenance of Underground Lines	280,733	212,988
151	(595) Maintenance of Line Transformers	7,026	17,696
152	(596) Maintenance of Street Lighting and Signal Systems	274,881	201,280
153	(597) Maintenance of Meters	400,666	407,922
154	(598) Maintenance of Miscellaneous Distribution Plant		
155	TOTAL Maintenance (Total of Lines 146 thru 154)	8,044,924	10,585,379
156	TOTAL Distribution Expenses (Total of Lines 144 and 155)	11,969,746	14,952,367
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	54,736	99,205
160	(902) Meter Reading Expenses	188,725	225,910
161	(903) Customer Records and Collection Expenses	3,705,060	4,740,425
162	(904) Uncollectible Accounts	(681,543)	(667,004)
163	(905) Miscellaneous Customer Accounts Expenses	128	159

164	TOTAL Customer Accounts Expenses (Enter Total of Lines 159 thru 163)	3,267,106	4,398,695
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	10,394	112
169	(909) Informational and Instructional Expenses	10,875	7,573
170	(910) Miscellaneous Customer Service and Informational Expenses	1,413,953	329,779
171	TOTAL Customer Service and Information Expenses (Total Lines 167 thru 170)	1,435,222	337,464
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision	1	
175	(912) Demonstrating and Selling Expenses	163,952	1,349,190
176	(913) Advertising Expenses	28,391	42,864
177	(916) Miscellaneous Sales Expenses	4	
178	TOTAL Sales Expenses (Enter Total of Lines 174 thru 177)	192,348	1,392,054
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	7,949,664	7,986,363
182	(921) Office Supplies and Expenses	3,419,061	3,626,387
183	(Less) (922) Administrative Expenses Transferred-Credit		(1)
184	(923) Outside Services Employed	4,540,605	1,841,188
185	(924) Property Insurance	1,512,071	1,467,670
186	(925) Injuries and Damages	514,557	449,816
187	(926) Employee Pensions and Benefits	4,109,305	7,199,694
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	743,544	771,570
190	(929) (Less) Duplicate Charges-Cr.	878,194	709,633
191	(930.1) General Advertising Expenses	129,198	113,397
192	(930.2) Miscellaneous General Expenses	(569,844)	830,065
193	(931) Rents	2,559,945	889,582
194	TOTAL Operation (Enter Total of Lines 181 thru 193)	24,029,912	24,466,100
195	Maintenance		
196	(935) Maintenance of General Plant	17,569	45,981
197	TOTAL Administrative & General Expenses (Total of Lines 194 and 196)	24,047,481	24,512,081

198	TOTAL Electric Operation and Maintenance Expenses (Total of Lines 80, 112, 131, 156, 164, 171, 178, and 197)	280,539,647	362,013,423

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

PURCHASED POWER (Account 555)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits fo settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explai affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes pro resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category sh firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract def seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside fr the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settle

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the co schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly avera average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all othe (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered de integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any de explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent, excluding purchases for energy storage. Report in column (h) the to the respondent for energy storage purchases. Report in columns (i) and (j) the megawatthours of power exchanges received and delivered, used a exchange.
7. Report demand charges in column (k), energy charges in column (l), and the total of any other types of charges, including out-of-period adjustments, components of the amount shown in column (m). Report in column (n) the total charge shown on bills received as settlement by the respondent. For settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (m) in incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in columns (g) through (n) must be totaled on the last line of the schedule. The total amount in columns (g) and (h) must be reported as Pur amount in column (i) must be reported as Exchange Received on Page 401, line 12. The total amount in column (j) must be reported as Exchange De
9. Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	Ferc Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW): Average Monthly NCP Demand (e)	Actual Demand (MW): Average Monthly CP Demand (f)	MegaWatt Hours Purchased (Excluding for Energy Storage) (g)	MegaWatt Hours Purchased for Energy Storage (h)	POWER EXCHANGES: MegaWatt Hours Received (i)	POWER EXCHANGES: MegaWatt Hours Delivered (j)	Demand Charges ($) (k)
1	L'Oreal	IU	(a) (1)								
2	PJM Settlement, Inc	OS	MBRT1				2,038,930				
3	PJM Settlement, Inc	AD	MBRT1				(6,853)				

4	Wells Fargo Securities	OS	(b) NJ								
15	TOTAL						2,032,077	0	0	0	0

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: RateScheduleTariffNumber
The number "1" notation designates FERC approved Tariff and/or Rate Schedule as on file with the Commission. The tariff is applicable to qualifying cogeneration and small power production facilities.
(b) Concept: RateScheduleTariffNumber
NJ = Non-Jurisdictional Agreement.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as "whe

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-tr customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or t footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Netw Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accoun provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under whicl provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the subs where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for v the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in colum demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related t column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all othe including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge sh column (a). If no monetary settlement was made, enter zero (0) in column (n). Provide a footnote explaining the nature of the non-monetary settlemer service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on f
11. Footnote entries and provide explanations following all required data.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	Ferc Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY Megawatt Hours Received (i)	TRANSFER OF ENERGY Megawatt Hours Delivered (j)	D C
1	PJM			OS							5
35	TOTAL							0	0	0	5

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

Page 328 Line 1 Column M

PJM Financial Transmission Rights (FTRs)	2,657,505
Facilities Charges	53,473
Total Other Charges	2,710,978

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
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12					
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36					
37					
38					
39					
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41					
42					
43					
44					
45					
46					
47					
48					
49					
40	TOTAL				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to- Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter ""TOTAL"" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY: MegaWatt Hours Received (c)	TRANSFER OF ENERGY: MegaWatt Hours Delivered (d)	EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS: Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	Midcontinent ISO	LFP					557,000 [(a)]	557,000
2	PJM Interconnection	LFP			21,807,509			21,807,509
	TOTAL		0	0	21,807,509	0	557,000	22,364,509

FOOTNOTE DATA

(a) Concept: OtherChargesTransmissionOfElectricityByOthers
Accretion of the MTEP obligation.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	43,141
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	220
4	Pub and Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn greater than or equal to 5,000 show purpose, recipient, amount. Group if less than $5,000	
6	Business and Service Company Support	471,570
7	Director's Fees and Expenses	47,341
8	Shareholder's Communications/System	98,345
9	Dues and Subscriptions to Various Organizations	35,928
10	Account Analysis Reconciliation Adjustments	(1,266,389)
46	TOTAL	(569,844)

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Depreciation and Amortization of Electric Plant (Account 403, 404, 405)

1. Report in section A for the year the amounts for: (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
   Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
   In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
   For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type of mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			3,173,913		3,173,913
2	Steam Production Plant	23,697,180	1,527			23,698,707
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	11,205,889				11,205,889
7	Transmission Plant	2,449,812				2,449,812
8	Distribution Plant	15,123,010				15,123,010
9	Regional Transmission and Market Operation					
10	General Plant	1,002,569		1,372,056		2,374,625
11	Common Plant-Electric	249,365		197,216		446,581
12	TOTAL	53,727,825	1,527	4,743,185		58,472,537

B. Basis for Amortization Charges

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (in Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	1900 ERLANGER OPERATIONS CENTER	4,529	75 years	(10)	283	R0.5	38 years

13	1900 KENTUCKY SERVICE BUILDING - 19TH AND AUGUSTINE	9,152	75 years	(10)	539	R0.5	19 years
14	1900 MINOR STRUCTURES	124	45 years	(10)	257	R1.5	42 years
15	1910 OFFICE FURNITURE AND EQUIPMENT	789	20 years		500	SQ	15 years
16	1911 ELECTRONIC DATA PROCESSING	5	5 years		1,001	SQ	1 year
17	1940 TOOLS, SHOP AND GARAGE EQUIPMENT	114	25 years		400	SQ	12 years
18	1970 COMMUNICATION EQUIPMENT	6,414	15 years		667	SQ	4 years
19	1980 MISCELLANEOUS EQUIPMENT	95	15 years		667	SQ	10 years
20	3110 STRUCTURES AND IMPROVEMENTS	183,718	85 years	(3)	402	S1	19 years
21	3120 BOILER PLANT EQUIPMENT	545,368	45 years	(3)	270	S0.5	18 years
22	3123 BOILER PLANT EQUIPMENT - SCR CATALYST	7,984	10 years		591	S2.5	6 years
23	3140 TURBOGENERATOR UNITS	109,286	40 years	(3)	289	S0.5	17 years
24	3150 ACCESSORY ELECTRIC EQUIPMENT	48,173	65 years	(3)	172	R2.5	19 years
25	3160 MISCELLANEOUS POWER PLANT EQUIPMENT	23,997	55 years	(3)	308	S0	18 years
26	3410 STRUCTURES AND IMPROVEMENTS	36,379	60 years	(2)	143	R4	18 years
27	3420 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	61,311	45 years	(2)	512	S1.5	18 years
28	3430 PRIME MOVERS	10,341	25 years	(2)	575	S0	15 years
29	3440 GENERATORS	211,248	40 years	(2)	244	S0.5	15 years
30	3450 ACCESSORY ELECTRIC EQUIPMENT	19,859	35 years	(2)	281	S1	14 years
31	3456 CRITTENDEN	638	25 years	(4)	464	S2.5	20 years
32	3456 WALTON	979	25 years	(4)	464	S2.5	20 years
33	3460 MISCELLANEOUS POWER PLANT EQUIPMENT	5,152	45 years	(2)	226	R1.5	17 years

34	3501 RIGHTS OF WAY	1,334	75 years		93	R4	50 years
35	3520 STRUCTURES AND IMPROVEMENTS	5,986	70 years	(15)	169	R2.5	64 years
36	3530 STATION EQUIPMENT	29,941	50 years	(10)	231	R1	43 years
37	3531 STATION EQUIPMENT - STEP UP	9,374	50 years	(10)	252	R3	24 years
38	3532 STATION EQUIPMENT - MAJOR	11,449	60 years	(10)	178	R2.5	50 years
39	3534 STATION EQUIPMENT - STEP UP EQUIPMENT	7,672	40 years	(10)	287	R2.5	29 years
40	3550 POLES AND FIXTURES	15,265	55 years	(30)	257	R1	46 years
41	3560 OVERHEAD CONDUCTORS AND DEVICES	11,048	55 years	(25)	209	R1	46 years
42	3561 OVERHEAD CONDUCTORS AND DEVICES - CLEARING AND RIGHT OF WAY	1,842	65 years		154	R3	62 years
43	3601 RIGHTS OF WAY	4,498	75 years		69	R4	42 years
44	3610 STRUCTURES AND IMPROVEMENTS	1,420	70 years	(15)	188	R2.5	56 years
45	3620 STATION EQUIPMENT	74,310	32 years	(10)	391	R0.5	27 years
46	3622 STATION EQUIPMENT - MAJOR	42,686	60 years	(10)	173	R2.5	49 years
47	3640 POLES, TOWERS AND FIXTURES	74,482	55 years	(50)	238	R0.5	46 years
48	3650 OVERHEAD CONDUCTORS AND DEVICES	144,890	53 years	(40)	251	O1	46 years
49	3651 OVERHEAD CONDUCTORS AND DEVICES - CLEARING AND RIGHT OF WAY	7,178	65 years		150	R3	62 years
50	3660 UNDERGROUND CONDUIT	43,373	75 years	(25)	160	R3	66 years
51	3670 UNDERGROUND CONDUCTORS AND DEVICES	81,871	56 years	(35)	253	R2	44 years
52	3680 LINE TRANSFORMERS	73,742	48 years	(15)	203	R0.5	38 years

53	3682 LINE TRANSFORMERS - CUSTOMER	274	55 years	(15)	53	R1.5	24 years
54	3691 SERVICES - UNDERGROUND	2,766	65 years	(40)	197	R3	57 years
55	3692 SERVICES - OVERHEAD	19,465	60 years	(40)	170	R1	50 years
56	3700 METERS AND METERING EQUIPMENT	2,621	24 years	(2)	460	L1	15 years
57	3702 UoF METERS	25,907	15 years		612	S2.5	13 years
58	3711 INSTALLATIONS ON CUSTOMERS' PREMISES - AREA LIGHTING	1	20 years		457	S0.5	19 years
59	3712 COMPANY-OWNED OUTDOOR LIGHTING	861	11 years	(5)	1,078	R2	8 years
60	3720 LEASED PROPERTY ON CUSTOMERS' PREMISES	10	30 years			L3	0 years
61	3731 STREET LIGHTING - OVERHEAD	2,507	34 years	(15)	125	L0.5	25 years
62	3732 STREET LIGHTING - BOULEVARD	3,368	55 years	(20)	112	R1.5	39 years
63	3733 STREET LIGHTING - CUSTOMER POLES	3,859	25 years	(10)	421	L0	21 years
64	3900 STRUCTURES AND IMPROVEMENTS	165	40 years	(10)	333	S1	24 years
65	3910 OFFICE FURNITURE AND EQUIPMENT	374	20 years		500	SQ	19 years
66	3911 ELECTRONIC DATA PROCESSING	2,794	5 years		2,000	SQ	2 years
67	3920 TRANSPORTATION EQUIPMENT	1,059	12 years		620	S3	11 years
68	3921 TRANSPORTATION EQUIPMENT - TRAILERS	272	20 years	5	193	R2.5	13 years
69	3940 TOOLS, SHOP AND GARAGE EQUIPMENT	3,162	25 years		400	SQ	20 years
70	3960 POWER OPERATED EQUIPMENT	12	15 years		418	L2	6 years
71	3970 COMMUNICATION EQUIPMENT	(a)9,004	15 years		667	SQ	11 years

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: DepreciablePlantBase

Depreciable Plant Base represents balances from the approved study, and excludes plant related to non-utility, asset retirement obligations, plant held for future use, capital and operating leases, land and intangibles.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) rela cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previc
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in columns (f), (g), and (h), expenses incurred during the year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

						EXPENSES INCURRED DURING YEAR				AMORTIZED DUR	
						CURRENTLY CHARGED TO					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)	Department (f)	Account No. (g)	Amount (h)	Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)
1	Kentucky Public Service Commission:										
2	Regulatory Fee - Gas	175,357		175,357		Gas	928	175,357			
3	(a) Regulatory Fee - Electric	576,839		576,839		Electric	928	576,839			
4	(a) Request for Rate Increase - Electric Case No. 2017-00321		78,890	78,890	177,504	Electric	928	78,890			78,890
5	(a) Request for Rate Increase - Gas Case No. 2018-00261		51,031	51,031	63,790	Gas	928	51,031			51,031
6	(a) Request for Rate Increase - Electric Case No. 2019-00271		67,833	67,833	158,278	Electric	928	67,833			67,833
7	(a) Request for Rate Increase - Gas Case No. 2021-00190		44,939	44,939	180,284	Gas	928	44,939			44,939

8	Request for Rate Increase - Electric Case No. 2022-00372		15,676	15,676	302,639	Electric	928	15,676	497,110		27,359
9	Misc. Legal Expenses:										
10	Gas - Other		7,247	7,247		Gas	928	7,247			
11	Electric - Transmission		8,030	8,030		Electric	928	8,030			
12	Electric - Other		(3,724)	(3,724)		Electric	928	(3,724)			
46	TOTAL	752,196	269,922	1,022,118	882,495			1,022,118	497,110		270,052

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: RegulatoryCommissionDescription
The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186
(b) Concept: RegulatoryCommissionDescription
The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186
(c) Concept: RegulatoryCommissionDescription
The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186
(d) Concept: RegulatoryCommissionDescription
The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186
(e) Concept: RegulatoryCommissionDescription
The expenses from the Request for Rate Increase in Case Numbers; 2017-00321, 2018-00261, 2019-00271. 2021-00190, 2022-00372 are deferred in FERC account 186

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D and D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D and D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:
   Classifications:

Electric R, D and D Performed Internally:

- Generation
  - hydroelectric
    - Recreation fish and wildlife
    - Other hydroelectric
  - Fossil-fuel steam
  - Internal combustion or gas turbine
  - Nuclear
  - Unconventional generation
  - Siting and heat rejection
- Transmission
  - Overhead
  - Underground
- Distribution
- Regional Transmission and Market Operation
- Environment (other than equipment)
- Other (Classify and include items in excess of $50,000.)
- Total Cost Incurred

Electric, R, D and D Performed Externally:

- Research Support to the electrical Research Council or the Electric Power Research Institute
- Research Support to Edison Electric Institute
- Research Support to Nuclear Power Groups
- Research Support to Others (Classify)
- Total Cost Incurred

3. Include in column (c) all R, D and D items performed internally and in column (d) those items performed outside the company costing $50,000 or more, briefly describing the specific area of R, D and D (such as safefy, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under $50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D and D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e).
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D and D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by ""Est.""
7. Report separately research and related testing facilities operated by the respondent.

Line No.	Classification (a)	Description (b)	Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR: Amounts Charged In Current Year: Account (e)	AMOUNTS CHARGED IN CURRENT YEAR: Amounts Charged In Current Year: Amount (f)	Unamortized Accumulation (g)
1	A. Electric R, D&D Performed Internally:						
2	Distribution	Research & Development Administration Costs					
3	TOTAL ELECTRIC R, D&D PERFORMED INTERNALLY						
4	B. Electric R, D&D Performed Externally:						
5	Electric Power Research Institute	Electric Power Research Institute Membership		94,661	Various	94,661	
6		Other (Less than $50K each)		220	930.7	220	
7	TOTAL ELECTRIC R, D&D PERFORMED EXTERNALLY			94,881		94,881	

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	7,315,693		
4	Transmission	462,874		
5	Regional Market			
6	Distribution	1,636,476		
7	Customer Accounts	1,648,740		
8	Customer Service and Informational	800,981		
9	Sales			
10	Administrative and General	7,594,895		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	19,459,659		
12	Maintenance			
13	Production	5,294,634		
14	Transmission	207,610		
15	Regional Market			
16	Distribution	1,513,459		
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	7,015,703		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	12,610,327		
21	Transmission (Enter Total of lines 4 and 14)	670,484		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	3,149,935		
24	Customer Accounts (Transcribe from line 7)	1,648,740		
25	Customer Service and Informational (Transcribe from line 8)	800,981		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	7,594,895		

28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	26,475,362	655,302	27,130,664
29	Gas			
30	Operation			
31	Production - Manufactured Gas	72,156		
32	Production-Nat. Gas (Including Expl. And Dev.)			
33	Other Gas Supply	346,328		
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution	2,826,753		
37	Customer Accounts	1,195,810		
38	Customer Service and Informational	450,800		
39	Sales			
40	Administrative and General	1,513,740		
41	TOTAL Operation (Enter Total of lines 31 thru 40)	6,405,587		
42	Maintenance			
43	Production - Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			
48	Distribution	706,246		
49	Administrative and General	29,959		
50	TOTAL Maint. (Enter Total of lines 43 thru 49)	736,205		
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)	72,156		
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)	346,328		
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)	3,532,999		
58	Customer Accounts (Line 37)	1,195,810		
59	Customer Service and Informational (Line 38)	450,800		
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)	1,543,699		

62	TOTAL Operation and Maint. (Total of lines 52 thru 61)	7,141,792	28,004	7,169,796
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	33,617,154	683,306	34,300,460
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	14,358,120	722,831	15,080,951
69	Gas Plant	7,962,258	346,383	8,308,641
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	22,320,378	1,069,214	23,389,592
72	Plant Removal (By Utility Departments)			
73	Electric Plant	2,358,224		2,358,224
74	Gas Plant	710,080		710,080
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	3,068,304		3,068,304
77	Other Accounts (Specify, provide details in footnote):			
78	Other Accounts (Specify, provide details in footnote):			
79	Projects For Duke's Subsidiaries & Merchandising	21,507		21,507
80	Other Work in Progress	250,752		250,752
81	Other Accounts	539,137		539,137
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	811,396		811,396

96	TOTAL SALARIES AND WAGES	59,817,232	1,752,520	61,569,752

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Electric Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to the order of the Commission or other authorization.

1. COMMON UTILITY PLANT
COMMON PLANT IN SERVICE

Account Title	Bal. Beg. of Yr	Additions (A)	Retirements	Transfers (B)	Balance YE
303 Misc. Intangible Plant	22,425,003	—	0	0	22,425,003
370 Common AMI Meters	—	—	—	—	—
389 Land and Land Rights	1,041,678	—	—	—	1,041,678
390 Struct & Improvements	13,814,128	7,312,014	(42,354)	—	21,083,788
391 Office Furniture & Equipment	758,132	771,499	—	—	1,529,631
Electronic Data Processing	40,535	—		—	40,535
392 Transportation Equipment	—	—	—	—	—
393 Stores Equipment	—	—	—	—	—
394 Tools, Shop & Garage Equip	113,850	—	—	—	113,850
395 Laboratory Equipment	—	—	—	—	—
397 Communication Equipment	4,303,310	3,250,843	(1,077,675)	—	6,476,478
398 Miscellaneous Equipment	95,301	—	—	—	95,301
399 ARO General Plant	787,501	699,481	—	—	1,486,982
Total Common Plt in Service	43,379,438	12,033,837	(1,120,029)	—	54,293,246
CWIP	5,396,957	(5,136,129)	—	—	260,828
Total Common Utility Plant in Ser.	48,776,395	6,897,708	(1,120,029)	—	54,554,074

ALLOCATION OF COMMON PLANT TO UTILITY DEPARTMENTS (C)

Summary by Account Estimated as of 12/31/2023

Gas Department	29.25%	15,957,067
Electric Department	70.75%	38,597,007
	100.00%	54,554,074

(A) Classification of Account 106; Completed Construction Not Classified, included in the Additions column.

(B) Represents reclassification between utility departments and primary plant accounts.

(C) The percentages used to allocate Common Plant to utility departments are the weighted averages resulting from the application of allocation factors to the investment based on Gross Plant as of 12/31/2023.

2. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF COMMON UTILITY PLANT

Balance - Beginning of Year		27,267,667
Depreciation provision for the year charged to:		
(403) Depreciation Expense (1)	343,390	
(404) Amortization-Limited Term Plant	197,215	
(403.1) Depreciation Expense (1)	509,830	
		1,050,435
Net Charges for Plant Retired:		
Book Cost of Plant Retired	(1,120,029)	
Cost of Removal	(487,803)	
Salvage (Credit)	(3,543)	
		(1,611,375)
Other Items:		
Transfers & Adjustments	—	
		—
Balance - End of the Year		26,706,727

ALLOCATION OF ACCUMULATED PROVISION FOR DEPRECIATION TO UTILITY DEPARTMENTS (3)

Summary by Account Estimated as of 12/31/2023

Gas Department	29.25%	7,811,718
Electric Department	70.75%	18,895,010

	100.00%	26,706,728

METHOD OF DETERMINATION OF DEPRECIATION & AMORTIZATION

Common Plant in Service	Rate (4)
Miscellaneous Intangible Plant	Note (2)
Structures and Improvements	2.34%
Office Furniture and Equipment	5.00%
Electronic Data Processing Equipment	10.01%
Tools, Shop & Garage Equipment	4.00%
Transportation & Power Operated Equipment	Note (4)
Communication Equipment	6.67%
Miscellaneous Equipment	6.67%

(1) The Respondent determines its monthly provision for depreciation by the application of rates to the previous month's balance of property capitalized in each primary plant account plus total Account 106 - Completed Construction Not Classified.

(2) The Respondent amortized its investment in Miscellaneous Intangible Plant equally over 60 months for certain projects.

(3) The percentages used to allocate the Common Plant Accumulated Provision for Depreciation balances to utility departments are the weighted averages resulting from the application of allocation factors to the balance of Common Plant Accumulated Provision at 12/31/2023. These factors are based on Gross Plant as of 12/31/2023.

(4) In 1997, the Respondent adopted vintage year accounting for general plant accounts in accordance with FERC Accounting Release No. 15.

(5) The Respondent amortized its investment in Transportation & Power Operated Equipment over the estimated lives of the individual assets.

3. COMMON UTILITY PLANT EXPENSE ACCOUNTS

Common utility plant expense accounts are not maintained, but such expenses are allocated to gas and electric departments principally on one or more of the following bases:

Floor space utilized for buildings and office equipment

General labor - total company

Number of gas and electric customers

IT operations

Numbers of customers

Three factor formula

4. COMMISSION APPROVAL

Prior to establishment of original cost, Messrs. Brenner and Eilers of the respondent and Campbell and Schwartz from Columbia System met with Mr. Smith of the Federal Power Commission to discuss amongst other things, the Federal Power Commission's permission to use the Common Utility Plant accounts. It was pointed out by the representatives of the Respondent that because of the nature of the Respondent's operations it was impossible and impractical to assign certain types of equipment directly to either gas or electric utility plant. Because of the facts presented, Mr. Smith gave the Respondent's respresentatives verbal permission to use the common plant accounts.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)	16,280,006	30,941,903	45,609,044	64,177,052
2.1	Net Purchases (Account 555.1)				
3	Net Sales (Account 447)	2,430,911	8,099,707	12,261,554	16,749,747
4	Transmission Rights	1,230,118	1,863,209	2,657,505	3,072,784
5	Ancillary Services				
6	Other Items (list separately)				
7	Ancillary Services (Account 555)	(1,556,391)	(1,960,953)	(2,506,565)	(2,803,799)
8	Ancillary Services (Account 447)	131,837	131,550	190,061	215,465
46	TOTAL	18,516,481	39,075,416	58,211,598	81,411,248

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.
In columns for usage, report usage-related billing determinant and the unit of measure.

1. On Line 1 columns (b), (c), (d), and (e) report the amount of ancillary services purchased and sold during the year.
2. On Line 2 columns (b), (c), (d), and (e) report the amount of reactive supply and voltage control services purchased and sold during the year.
3. On Line 3 columns (b), (c), (d), and (e) report the amount of regulation and frequency response services purchased and sold during the year.
4. On Line 4 columns (b), (c), (d), and (e) report the amount of energy imbalance services purchased and sold during the year.
5. On Lines 5 and 6, columns (b), (c), (d), and (e) report the amount of operating reserve spinning and supplement services purchased and sold during the period.
6. On Line 7 columns (b), (c), (d), and (e) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollar (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch			673,788			[a]275,091
2	Reactive Supply and Voltage			1,221,309			1,881,230
3	Regulation and Frequency Response			981,537			
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other			798,729			[b]6,163,205
8	Total (Lines 1 thru 7)			3,675,364			8,319,526

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: AncillaryServicesSoldAmount

Revenues from PJM

(b) Concept: AncillaryServicesSoldAmount

Facilities Charge Revenues from PJM are included in total Other Revenues. ($53,472.90)

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

1. Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report on Column (b) by month the transmission system's peak load.
3. Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
4. Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
	NAME OF SYSTEM: Duke Energy Kentucky									
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Monthly ISO/RTO Transmission System Peak Load

1. Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report on Column (b) by month the transmission system's peak load.
3. Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
4. Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
5. Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Import into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
	NAME OF SYSTEM: Enter System									
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 2024-04-15	Year/Period of Report End of: 2023/ Q4

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	3,848,896
3	Steam	2,211,385	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	397,898
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	706
7	Other	192,403	27	Total Energy Losses	188,365
8	Less Energy for Pumping		27.1	Total Energy Stored	
9	Net Generation (Enter Total of lines 3 through 8)	2,403,788	28	TOTAL (Enter Total of Lines 22 Through 27.1) MUST EQUAL LINE 20 UNDER SOURCES	4,435,865
10	Purchases (other than for Energy Storage)	2,032,077			
10.1	Purchases for Energy Storage	0			
11	Power Exchanges:				
12	Received	0			
13	Delivered	0			
14	Net Exchanges (Line 12 minus line 13)	0			
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of Lines 9, 10, 10.1, 14, 18 and 19)	4,435,865			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirement Sales for Resale & Associated Losses (c)	Monthly Peak - Megawatts (d)	Monthly Peak - Day of Month (e)	Monthly Peak - Hour (f)
	NAME OF SYSTEM: Duke Energy Kentucky					
29	January	354,598	2,512	600	27	9
30	February	311,800	0	616	1	8
31	March	366,264	32,886	588	15	7
32	April	303,213	9,544	508	20	17
33	May	330,818	15,490	676	31	17
34	June	435,040	94,326	688	30	17
35	July	420,313	14,694	770	27	16
36	August	427,737	14,878	803	23	17
37	September	408,731	75,814	748	5	15
38	October	302,578	(352)	621	3	17
39	November	322,246	16,829	594	29	8
40	December	452,527	121,278	565	19	9
41	Total	4,435,864	397,898			

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Steam Electric Generating Plant Statistics

1. Report data for plant in Service only.
2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants.
3. Indicate by a footnote any plant leased or operated as a joint facility.
4. If net peak demand for 60 minutes is not available, give data which is available, specifying period.
5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant.
6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mcf.
7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20.
8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.
9. Items under Cost of Plant are based on USofA accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses.
10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants.
11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant.
12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Line No.	Item (a)	Plant Name: 0	Plant Name: East Bend	Plant Name: Miami Fort 6	Plant Name: Woodsdale CT
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)		[a] Steam	[a] Steam	Combustion Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)		Conventional	Conventional	Conventional
3	Year Originally Constructed		1981	1960	1992
4	Year Last Unit was Installed		1981	1960	1993
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)		[a] 768	[a] 168	[a] 572
6	Net Peak Demand on Plant - MW (60 minutes)		611		496
7	Plant Hours Connected to Load		5,731		1,476
8	Net Continuous Plant Capability (Megawatts)				
9	When Not Limited by Condenser Water		600		564
10	When Limited by Condenser Water		600		476
11	Average Number of Employees		84		16
12	Net Generation, Exclusive of Plant Use - kWh		2,211,385,000		192,403,000
13	Cost of Plant: Land and Land Rights		7,036,025		2,258,588
14	Structures and Improvements		187,522,085		36,689,533
15	Equipment Costs		766,535,901		311,112,201
16	Asset Retirement Costs		89,131,026		
17	Total cost (total 13 thru 20)		1,050,225,037		350,060,322
18	Cost per KW of Installed Capacity (line 17/5) Including		1,367.4805		611.9936

19	Production Expenses: Oper, Supv, & Engr		2,239,578		179,499
20	Fuel		[a]85,370,908		[b]7,811,120
21	Coolants and Water (Nuclear Plants Only)				
22	Steam Expenses		18,574,589		351,440
23	Steam From Other Sources				
24	Steam Transferred (Cr)				
25	Electric Expenses		656,778		1,077,812
26	Misc Steam (or Nuclear) Power Expenses		1,854,935		
27	Rents				
28	Allowances				
29	Maintenance Supervision and Engineering		2,220,713		138,241
30	Maintenance of Structures		1,233,961		197,355
31	Maintenance of Boiler (or reactor) Plant		12,794,927		
32	Maintenance of Electric Plant		1,719,029	93,771	920,564
33	Maintenance of Misc Steam (or Nuclear) Plant		2,243,461		355,206
34	Total Production Expenses	0	128,908,879	93,771	11,031,237
35	Expenses per Net kWh				
35	**Plant Name**	East Bend	East Bend	Woodsdale CT	Woodsdale CT
36	Fuel Kind	Coal	Oil	Gas	Oil
37	Fuel Unit	T	bbl	Mcf	bbl
38	Quantity (Units) of Fuel Burned	1,009,828	30,113	3,036,817	1,263
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	12,030	139,542	1	138,588
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	76.147	125.438	2.523	138.571
41	Average Cost of Fuel per Unit Burned	80.523	134.701	2.523	117.340
42	Average Cost of Fuel Burned per Million BTU	3.347	22.984	2.455	20.159
43	Average Cost of Fuel Burned per kWh Net Gen	0.037	0.002	0.040	0.001
44	Average BTU per kWh Net Generation	10,987.000	10,987.000	16,264.000	16,264.000

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: PlantKind

Effective 12-30-14, East Bend is owned 100% by Duke Energy Kentucky, Inc. Prior to that, East Bend was commonly owned by Duke Energy Kentucky, Inc. and the Dayton Power and Light Company with undivided interest of 69% and 31% respectively. Fuel expenses were shared on the basis of energy usage and other expenses were shared on an ownership basis.

(b) Concept: PlantKind

Miami Fort U6 retired 2015.

(c) Concept: InstalledCapacityOfPlant

The name plate rating is the actual name plate capacity that is determined by the generator's manufacturer and indicates the maximum output a generator can produce.

(d) Concept: InstalledCapacityOfPlant

The name plate rating is the actual name plate capacity that is determined by the generator's manufacturer and indicates the maximum output a generator can produce. Miami Fort U6 retired 5/31/2015.

(e) Concept: InstalledCapacityOfPlant

The name plate rating is the actual name plate capacity that is determined by the generator's manufacturer and indicates the maximum output a generator can produce.

(f) Concept: FuelSteamPowerGeneration

Excludes coal handling, sale of fly ash, and other miscellaneous costs to fuel expense Account 501 = $1,369,340.

(g) Concept: FuelSteamPowerGeneration

Excludes natural gas handling cost of $38,517.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Hydroelectric Generating Plant Statistics

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings).
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

Line No.	Item (a)	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:
1	Kind of Plant (Run-of-River or Storage)					
2	Plant Construction type (Conventional or Outdoor)					
3	Year Originally Constructed					
4	Year Last Unit was Installed					
5	Total installed cap (Gen name plate Rating in MW)					
6	Net Peak Demand on Plant-Megawatts (60 minutes)					
7	Plant Hours Connect to Load					
8	**Net Plant Capability (in megawatts)**					
9	(a) Under Most Favorable Oper Conditions					
10	(b) Under the Most Adverse Oper Conditions					
11	Average Number of Employees					
12	Net Generation, Exclusive of Plant Use - kWh					
13	**Cost of Plant**					
14	Land and Land Rights					
15	Structures and Improvements					
16	Reservoirs, Dams, and Waterways					
17	Equipment Costs					
18	Roads, Railroads, and Bridges					
19	Asset Retirement Costs					
20	Total cost (total 13 thru 20)					

21	Cost per KW of Installed Capacity (line 20 / 5)					
22	**Production Expenses**					
23	Operation Supervision and Engineering					
24	Water for Power					
25	Hydraulic Expenses					
26	Electric Expenses					
27	Misc Hydraulic Power Generation Expenses					
28	Rents					
29	Maintenance Supervision and Engineering					
30	Maintenance of Structures					
31	Maintenance of Reservoirs, Dams, and Waterways					
32	Maintenance of Electric Plant					
33	Maintenance of Misc Hydraulic Plant					
34	Total Production Expenses (total 23 thru 33)					
35	Expenses per net kWh					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

Pumped Storage Generating Plant Statistics

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings).
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give that which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on Line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

Line No.	Item (a)	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:	FERC Licensed Project No. Plant Name:
1	Type of Plant Construction (Conventional or Outdoor)				
2	Year Originally Constructed				
3	Year Last Unit was Installed				
4	Total installed cap (Gen name plate Rating in MW)				
5	Net Peak Demaind on Plant-Megawatts (60 minutes)				
6	Plant Hours Connect to Load While Generating				
7	Net Plant Capability (in megawatts)				
8	Average Number of Employees				
9	Generation, Exclusive of Plant Use - kWh				
10	Energy Used for Pumping				
11	Net Output for Load (line 9 - line 10) - Kwh				
12	**Cost of Plant**				
13	Land and Land Rights				
14	Structures and Improvements				
15	Reservoirs, Dams, and Waterways				
16	Water Wheels, Turbines, and Generators				
17	Accessory Electric Equipment				
18	Miscellaneous Powerplant Equipment				
19	Roads, Railroads, and Bridges				

20	Asset Retirement Costs				
21	Total cost (total 13 thru 20)				
22	Cost per KW of installed cap (line 21 / 4)				
23	**Production Expenses**				
24	Operation Supervision and Engineering				
25	Water for Power				
26	Pumped Storage Expenses				
27	Electric Expenses				
28	Misc Pumped Storage Power generation Expenses				
29	Rents				
30	Maintenance Supervision and Engineering				
31	Maintenance of Structures				
32	Maintenance of Reservoirs, Dams, and Waterways				
33	Maintenance of Electric Plant				
34	Maintenance of Misc Pumped Storage Plant				
35	Production Exp Before Pumping Exp (24 thru 34)				
36	Pumping Expenses				
37	Total Production Exp (total 35 and 36)				
38	Expenses per kWh (line 37 / 9)				
39	Expenses per KWh of Generation and Pumping (line 37/(line 9 + line 10))				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating).
2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, anc give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.
3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Pa 402.
4. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, i exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as on plant.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (MW) (c)	Net Peak Demand MW (60 min) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)	Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses: Fuel Production Expenses (i)	Production Expenses: Maintenance Production Expenses (j)	Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Gener Typ (m
1													
2													
3													
4													
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Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ENERGY STORAGE OPERATIONS (L

1. Large Plants are plants of 10,000 Kw or more.
2. In columns (a) (b) and (c) report the name of the energy storage project, functional classification (Production, Transmission, Distribution), and locatior
3. In column (d), report Megawatt hours (MWH) purchased, generated, or received in exchange transactions for storage.
4. In columns (e), (f) and (g) report MWHs delivered to the grid to support production, transmission and distribution. The amount reported in column (d) s
5. In columns (h), (i), and (j) report MWHs lost during conversion, storage and discharge of energy.
6. In column (k) report the MWHs sold.
7. In column (l), report revenues from energy storage operations. In a footnote, disclose the revenue accounts and revenue amounts related to the incor
8. In column (m), report the cost of power purchased for storage operations and reported in Account 555.1, Power Purchased for Storage Operations. If fuel costs for storage operations associated with self-generated power included in Account 501 and other costs associated with self-generated power
9. In columns (q), (r) and (s) report the total project plant costs including but not exclusive of land and land rights, structures and improvements, energy purpose is to integrate or tie energy storage assets into the power grid, and any other costs associated with the energy storage project included in the

Line No.	Name of the Energy Storage Project (a)	Functional Classification (b)	Location of the Project (c)	MWHs (d)	MWHs delivered to the grid to support Production (e)	MWHs delivered to the grid to support Transmission (f)	MWHs delivered to the grid to support Distribution (g)	MWHs Lost During Conversion, Storage and Discharge of Energy Production (h)	MWHs Lost During Conversion, Storage and Discharge of Energy Transmission (i)	MWHs Lost During Conversion, Storage and Discharge of Energy Distribution (j)
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31										
32										
33										
34										
35	TOTAL			0	0	0	0	0	0	0

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

ENERGY STORAGE OPERATIONS (Small Plants)

1. Small Plants are plants less than 10,000 Kw.
2. In columns (a), (b) and (c) report the name of the energy storage project, functional classification (Production, Transmission, Distribution), and location.
3. In column (d), report project plant cost including but not exclusive of land and land rights, structures and improvements, energy storage equipment and any other costs associated with the energy storage project.
4. In column (e), report operation expenses excluding fuel, (f), maintenance expenses, (g) fuel costs for storage operations and (h) cost of power purchased for storage operations and reported in Account 555.1, Power Purchased for Storage Operations. If power was purchased from an affiliated seller specify how the cost of the power was determined.
5. If any other expenses, report in column (i) and footnote the nature of the item(s).

Line No.	Name of the Energy Storage Project (a)	Functional Classification (b)	Location of the Project (c)	Project Cost (d)	BALANCE AT BEGINNING OF YEAR				
					Operations (Excluding Fuel used in Storage Operations) (e)	Maintenance (f)	Cost of fuel used in storage operations (g)	Account No. 555.1, Power Purchased for Storage Operations (h)	Other Expenses (i)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
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32									
33									
34									
35									
36	TOTAL								

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilov for each voltage. If required by a State commission to report individual lines for all voltages, do so but do not group totals for each voltage under 132
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report s
3. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
4. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; c supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a line.
5. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footn to such structures are included in the expenses reported for the line designated.
6. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if y transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the oth
7. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, gi transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or sha giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, a affected. Specify whether lessor, co-owner, or other party is an associated company.
8. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determ
9. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Line No.	DESIGNATION		VOLTAGE (KV) - (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (Pole miles) - (In the case of underground lines report circuit miles)		Number of Circuits	Size of Conductor and Material	COST OI Land, La
	From	To	Operating	Designated		On Structure of Line Designated	On Structures of Another Line			Land
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	AERO	OAKBROOK	138.00	138.00	1	1.06			954ACSR45/7	
2	WOODSPOINT (239)	AERO (306)	138.00	138.00	1	1.87			954ACSR45/7	
3	138kV Summary									7,968,641
4	All 69kV Lines		69.00	69.00		102.38	4	14		
5	69kV Summary									1,223,666
6	O&M Summary									
7					TOTAL	105.31	3.76	14		9,192,307
36	TOTAL									

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed it is permissible to report in these columns the costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Righ footnote, and costs of Underground Conduit in column (m).
3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other cha

Line No.	LINE DESIGNATION			SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE		CONDUCTORS				
	From (a)	To (b)	Line Length in Miles (c)	Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)	Size (h)	Specification (i)	Configuration and Spacing (j)	Voltage KV (Operating) (k)	Land and Land Rights (l)
1	WOODSPOINT (239)	AERO (306)	1.90	1		1	1	954	ACSR	1	138	
44	TOTAL		1.90		0	1	1					

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional char such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattend summarize according to function the capacities reported for the individual stations in column (f).
5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capac
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole owner any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment c reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Line No.	Name and Location of Substation (a)	Character of Substation: Transmission or Distribution (b)	Character of Substation: Attended or Unattended (b-1)	VOLTAGE (In MVa): Primary Voltage (In MVa) (c)	VOLTAGE (In MVa): Secondary Voltage (In MVa) (d)	VOLTAGE (In MVa): Tertiary Voltage (In MVa) (e)	Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	Con: Type Equipn (i)
1	AERO BOONE CO	Transmission		138	13	0	90	4	0	
2	ALEXANDRIA SOUTH-CAMPBELL CO	Distribution		69	13	0	11	1	0	
3	ATLAS-KENTON CO	Distribution		69	13	0	11	1	0	
4	AUGUSTINE-COVINGTON, KY	Distribution		138	13	0	67	3	0	
5	BEAVER-BOONE CO.	Distribution		69	13	0	21	2	0	
6	BELLEVUE-CAMPBELL CO.	Distribution		138	13	0	45	2	0	
7	BLACKWELL-GRANT CO.	Transmission		138	69	0	150	1	0	
8	BUFFINGTON-KENTON CO.	Transmission		345	138	13	1178	7	1	
9	CLARYVILLE-CAMBELL CO.	Distribution		69	13	0	32	3	0	
10	COLD SPRING-CAMPBELL CO.	Distribution		132	13	0	33	2	0	
11	CONSTANCE-KENTON CO.	Distribution		138	13	0	45	2	0	
12	COVINGTON - KENTON CO.	Distribution		69	13	0	45	2	0	
13	CRESCENT-KENTON CO.	Distribution		138	13	0	67	3	0	
14	CRITTENDEN-GRANT CO.	Distribution		69	13	0	21	2	0	

15	DAYTON - CAMPBELL CO.	Distribution		138	13	0	22	1	0	
16	DECOURSEY-KENTON CO.	Distribution		69	13	0	11	1	0	
17	DIXIE FLORENCE CO.	Distribution		69	13	0	67	3	0	
18	DONALDSON ERLANGER CO.	Transmission		138	13	0	90	4	0	
19	DRY RIDGE-GRANT CO.	Distribution		69	13	0	21	2	0	
20	EMPIRE - BOONE CO.	Distribution		69	13	0	25	2	0	
21	FLORENCE-BOONE CO.	Distribution		138	13	0	67	3	0	
22	GRANT-GRANT CO.	Distribution		69	13	0	21	2	0	
23	HANDS-KENTON CO.	Distribution		138	13	0	45	2	0	
24	HEBRON-BOONE CO.	Distribution		138	13	0	45	2	0	
25	KENTON FORT WRIGHT CO.	Transmission		138	66	0	167	3	0	
26	KY. UNIVERSITY-CAMP. CO.	Distribution		138	13	0	45	2	0	
27	LIMABURG FLORENCE CO.	Distribution		69	13	0	31	3	0	
28	LONGBRANCH-BOONE CO.	Distribution		138	13	0	45	2	0	
29	MARSHALL-CAMPBELL CO.	Distribution		69	13	0	11	1	0	
30	MT ZION FLORENCE CO.	Distribution		138	13	0	45	2	0	
31	OAKBROOK - BOONE CO	Distribution		138	69	0	172	2	0	
32	RICHWOOD - BOONE CO.	Distribution		69	13	0	43	3	0	
33	SILVER GROVE - CAMPBELL CO.	Transmission		138	13	0	422	2	0	
34	THOMAS MORE - KENTON CO.	Distribution		69	13	0	22	1	0	
35	VERONA - KENTON CO.	Distribution		69	13	0	21	2	0	
36	VILLA-CRESTVIEW HLS., KY	Distribution		69	13	0	45	2	0	

37	WHITE TOWER-KENTON CO.	Distribution		69	13	0	21	2	0	
38	WILDER-WILDER, KY.	Transmission		138	69	13	502	4	0	
39	YORK-NEWPORT, KY.	Distribution		138	13	0	22	1	0	
40	TOTAL Transmission Substations						2599	25	1	—
41	TOTAL Distribution Substations						1245	64		—
42	TOTAL Generation Substations									—
43	TOTAL						3844	89	1	0

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is $250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	**Non-power Goods or Services Provided by Affiliated**			
2	(a) Services Provided by Duke Energy Business Services	Duke Energy Business Services, LLC	Various	167,111,261
3	Customer and Market Services	Duke Energy Carolinas, LLC	Various	7,012,863
4	Generation Services	Duke Energy Carolinas, LLC	Various	1,021,584
5	Other Goods and Services	Duke Energy Carolinas, LLC	Various	1,180,583
6	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	1,359,231
7	Customer and Market Services	Duke Energy Progress, LLC	Various	142,928
8	Generation Services	Duke Energy Progress, LLC	Various	139,630
9	Other Goods and Services	Duke Energy Progress, LLC	Various	231,160
10	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	127,713
11	Customer & Market Services	Duke Energy Florida, LLC	Various	249,767
12	Generation Services	Duke Energy Florida, LLC	Various	23,156
13	Other goods and Services	Duke Energy Florida, LLC	Various	1,174
14	Transmission and Distribution Services	Duke Energy Florida, LLC	Various	1,451
15	Customer and Market Services	Duke Energy Indiana, LLC	Various	167,959
16	Generation Services	Duke Energy Indiana, LLC	Various	17,943,514
17	Other Goods and Services	Duke Energy Indiana, LLC	Various	193,091
18	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	91,577
19	Customer and Market Services	Duke Energy Ohio, Inc.	Various	1,146,950
20	Gas Distribution Services	Duke Energy Ohio, Inc.	Various	1,805,645
21	Other Goods and Services	Duke Energy Ohio, Inc.	Various	1,590,389
22	Transmission and Distribution Services	Duke Energy Ohio, Inc.	Various	8,633,907
23	Gas Distribution Services	Duke Energy Ohio Com Power	Various	834
24	Transmission and Distribution Services	Duke Energy Ohio Com Power	Various	37,567
25	Gas Distribution Services	Piedmont Natural Gas Company, Inc.	Various	20,110,670
26	Other Goods and Services	Duke Energy Commercial Enterprises	Various	142

19				
20	**Non-power Goods or Services Provided for Affiliated**			
21	Customer and Market Services	Duke Energy Carolinas, LLC	Various	(13)
22	Gas Distribution Services	Duke Energy Carolinas, LLC	Various	294
23	Generation Services	Duke Energy Carolinas, LLC	Various	1,204
24	Other Goods and Services	Duke Energy Carolinas, LLC	Various	
25	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	3,224
26	Customer and Market Services	Duke Energy Progress, LLC	Various	4
27	Gas Distribution Services	Duke Energy Progress, LLC	Various	
28	Generation Services	Duke Energy Progress, LLC	Various	398
29	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	2,725
30	Customer and Market Services	Duke Energy Florida, LLC	Various	4
31	Generation Services	Duke Energy Florida, LLC	Various	598
32	Gas Distribution Services	Duke Energy Florida, LLC	Various	111
33	Transmission and Distribution Services	Duke Energy Florida, LLC	Various	125,322
34	Transmission and Distribution Services	Duke Energy Business Services LLC	Various	
35	Customer and Market Services	Duke Energy Indiana, LLC	Various	2
36	Gas Distribution Services	Duke Energy Indiana, LLC	Various	3,300
37	Generation Services	Duke Energy Indiana, LLC	Various	695,329
38	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	50,479
39	Customer and Market Services	Duke Energy Ohio, Inc.	Various	196,151
40	Gas Distribution Services	Duke Energy Ohio, Inc.	Various	1,132,632
41	Other Goods and Services	Duke Energy Ohio, Inc.	Various	313,492
42	Transmission and Distribution Services	Duke Energy Ohio, Inc.	Various	1,574,353
43	Generation Services	Duke Energy Ohio, Inc.	Various	4,763
44	Gas Distribution Services	KO Transmission Company	Various	655
45	Transmission and Distribution Services	Piedmont Natural Gas Company, Inc.	Various	58
46	Gas Distribution Services	Piedmont Natural Gas Company, Inc.	Various	348
42				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/15/2024	Year/Period of Report End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNonPowerGoodOrService

When an employee of the Service Company performs services for a Client Company, costs will be directly assigned or distributed or allocated. For allocated services, the allocation method will be on a basis reasonably related to the service performed. The Service Company Utility Service Agreement prescribes 23 Service Company functions and approximately 20 allocation methods.

Functions and Allocation Methods:

Information Systems
Number of Central Processing Unit Seconds Ratio/Millions of Instructions per Second
Number of Personal Computer Workstations Ratio
Number of Information Systems Servers Ratio
Number of Employees Ratio
Meters
Number of Customers Ratio
Transportation
Number of Employees Ratio
Three Factor Formula
Electric System Maintenance
Circuit Miles of Electric Transmission Lines Ratio
Circuit Miles of Electric Distribution Lines Ratio
Marketing and Customer Relations and Grid Solutions
Number of Customers Ratio
Electric Transmission & Distribution Engineering & Construction
Electric Transmission Plant's Construction - Expenditures Ratio
Electric Distribution Plant's Construction - Expenditures Ratio
Power Engineering & Construction
Electric Production Plant's Construction - Expenditures Ratio
Human Resources
Number of Employees Ratio
Supply Chain
Procurement Spending Ratio
Inventory Ratio
Facilities
Square Footage Ratio
Accounting
Three Factor Formula
Generating Unit MW Capability Ratio
Power Planning and Operations

Electric Peak Load Ratio
Weighted Avg of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio
Sales Ratio
Weighted Avg of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio
Generating Unit MW Capability Ratio
Public Affairs
Three Factor Formula
Weighted Avg of Number of Customers Ratio and Number of Employees Ratio
Legal
Three Factor Formula
Rates
Sales Ratio
Finance
Three Factor Formula
Rights of Way
Circuit Miles of Electric Transmission Lines Ratio
Circuit Miles of Electric Distribution Lines Ratio
Electric Peak Load Ratio
Internal Auditing
Three Factor Formula
Environmental, Health and Safety
Three Factor Formula
Sales Ratio
Fuels
Sales Ratio
Investor Relations
Three Factor Formula
Planning
Three Factor Formula
Executive
Three Factor Formula

THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

FERC FINANCIAL REPORT
FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly

Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)	Year/Period of Report:
Duke Energy Kentucky, Inc	End of: 2023/ Q4

INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

a. Submit FERC Form Nos. 2, 2-A and 3-Q electronically through the eCollection portal at https://eCollection.ferc.gov, and according to the specifications in the Form 2, 2-A and 3-Q taxonomies.

b. The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

c. Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

d. For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

i. Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

ii. be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference	Reference Schedules Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

e. Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. Further instructions are found on the Commission website at https://www.ferc.gov/ferc-online/ferc-online/frequently-asked-questions-faqs-efilingferc-online.

f. Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: https://www.ferc.gov/industries-data/natural-gas/industry-forms. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE, Room 2A, Washington, DC 20426 or by calling (202) 502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

a. FERC Form 2 and 2-A -- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)

b. FERC Form 3-Q -- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R.§ 260.300), and

c. FERC Form 3-Q -- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,671.66 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 295.66 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 167 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, indicate whether a schedule has been omitted by entering "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, page 2.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII. For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

VIII. Footnote and further explain accounts or pages as necessary.

IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

XII. Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

DEFINITIONS

I. Btu per cubic foot – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).

II. Commission Authorization – The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

III. Dekatherm – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.

IV. Respondent – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW

Natural Gas Act, 15 U.S.C. 717-717w

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to $1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. §717t-1(a).

FERC FORM NO. 2
REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Duke Energy Kentucky, Inc		02 Year/ Period of Report End of: 2023/ Q4
03 Previous Name and Date of Change (if name changed during year) /		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1262 Cox Road, Erlanger, KY 41018		
05 Name of Contact Person Robert Jones		06 Title of Contact Person Accounting Manager I
07 Address of Contact Person (Street, City, State, Zip Code) 526 S Tryon St, Charlotte, NC 28202		
08 Telephone of Contact Person, Including Area Code 631-478-8962	09 This Report is An Original / A Resubmission (1) ☑ An Original (2) ☐ A Resubmission	10 Date of Report (Mo, Da, Yr) 04/25/2024

Annual Corporate Officer Certification

The undersigned officer certifies that:
I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Cynthia S. Lee	12 Title VP, CAO, and Controller
13 Signature Cynthia S. Lee	14 Date Signed 04/25/2024

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, to indicate no information or amounts have been reported for certain pages.

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
25	Extraordinary Property Losses	230b	12-96	N/A
26	Unrecovered Plant And Regulatory Study Costs	230c	12-96	N/A
27	Other Regulatory Assets	232	REV 12-07	
28	Miscellaneous Deferred Debits	233	12-96	
29	Accumulated Deferred Income Taxes	234	REV 12-07	
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250	12-96	
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252	12-96	
32	Other Paid-In Capital	253	12-96	
33	Discount on Capital Stock	254	12-96	N/A
34	Capital Stock Expense	254	12-96	N/A
35	Securities Issued Or Assumed And Securities Refunded Or Retired During The Year	255.1	12-96	N/A
36	Long-Term Debt	256	12-96	
37	Unamortized Debt Expense, Premium And Discount On Long-Term Debt	258	12-96	
38	Unamortized Loss And Gain On Reacquired Debt	260	12-96	
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261	12-96	
40	Taxes Accrued, Prepaid And Charged During Year, Distribution Of Taxes Charged	262	REV 12-07	
41	Miscellaneous Current And Accrued Liabilities	268	12-96	
42	Other Deferred Credits	269	12-96	
43	Accumulated Deferred Income Taxes-Other Property (Account 282)	274	REV 12-07	
44	Accumulated Deferred Income Taxes-Other (Account 283)	276	REV 12-07	
45	Other Regulatory Liabilities	278	REV 12-07	
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data	299	NEW 12-08	
47	Gas Operating Revenues	300	REV 12-07	
48	Revenues From Transportation Of Gas Of Others Through Gathering Facilities	302	12-96	N/A
49	Revenues From Transportation Of Gas Of Others Through Transmission Facilities	304	12-96	
50	Revenues From Storing Gas Of Others	306	12-96	N/A
51	Other Gas Revenues	308	12-96	
52	Discounted Rate Services And Negotiated Rate Services	313	NEW 12-07	N/A
53	Gas Operation And Maintenance Expenses	317	12-96	
54	Exchange And Imbalance Transactions	328	12-96	N/A
55	Gas Used In Utility Operations	331	12-96	N/A
56	Transmission And Compression Of Gas By Others	332	12-96	N/A
57	Other Gas Supply Expenses	334	12-96	N/A
58	Miscellaneous General Expenses-Gas	335	12-96	

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
59	Depreciation, Depletion, and Amortization of Gas Plant		12-96	
59	Section A. Summary of Depreciation, Depletion, and Amortization Charges	336	12-96	
59	Section B. Factors Used in Estimating Depreciation Charges	338	12-96	
60	Particulars Concerning Certain Income Deductions And Interest Charges Accounts	340	12-96	
	COMMON SECTION		12-96	
61	Regulatory Commission Expenses	350	12-96	
62	Employee Pensions And Benefits (Account 926)	352	NEW 12-07	
63	Distribution Of Salaries And Wages	354	REVISED	
64	Charges For Outside Professional And Other Consultative Services	357	REVISED	
65	Transactions With Associated (Affiliated) Companies	358	NEW 12-07	
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508	REV 12-07	N/A
67	Gas Storage Projects	512	12-96	N/A
67	Gas Storage Projects	513	12-96	
68	Transmission Lines	514	12-96	N/A
69	Transmission System Peak Deliveries	518	12-96	N/A
70	Auxiliary Peaking Facilities	519	12-96	
71	Gas Account - Natural Gas	520	REV 01-11	
72	Shipper Supplied Gas for the Current Quarter	521	REVISED 02-11	N/A
73	System Maps	522.1	REV. 12-96	N/A
74	Footnote Reference			
75	Footnote Text			
76	Stockholder's Reports (check appropriate box)			
	☐ Four copies will be submitted ☐ No annual report to stockholders is prepared			
	Page 2			

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Cynthia S. Lee

Vice President, Chief Accounting Officer and Controller

525 S Tryon St, Charlotte, NC 28202

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Incorporation: KY

Date of Incorporation: 03/20/1901

Incorporated Under Special Law:

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

N/A
(a) Name of Receiver or Trustee Holding Property of the Respondent:

(b) Date Receiver took Possession of Respondent Property:

(c) Authority by which the Receivership or Trusteeship was created:

(d) Date when possession by receiver or trustee ceased:

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Kentucky - Gas and Electric

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1)
☐ Yes

(2)
☑ No

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.
2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.
3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Duke Energy Ohio	M	OH	100%

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	N/A				Not Used

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants.

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy. Total: 585,333 By Proxy:	3. Give the date and place of such meeting:

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	585,333	585,333		
6	TOTAL number of security holders	1	1		
7	TOTAL votes of security holders listed below	585,333	585,333		
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Important Changes During the Year

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None
2. See Notes to Financial Statements, Note 1, "Summary of Significant Accounting Policies"
3. See Notes to Financial Statements, Note 2, "Regulatory Matters"
4. None
5. None
6. See Notes to Financial Statements, Note 5, "Debt and Credit Facilities"
7. None
8. During the fourth quarter 2023, there were no large scale wage changes for Duke Energy Kentucky payroll company. During the third quarter 2023, there were no large scale wage changes for Duke Energy Kentucky payroll company. During the second quarter 2023, there were no large scale wage changes for Duke Energy Kentucky payroll company. During the first quarter 2023, there were no large scale wage changes to report.
9. See Notes to Financial Statements, Note 2, "Regulatory Matters" and Note 3, "Commitments and Contingencies"
10. None
11. None

12. There are no changes to major security holders and voting powers of Duke Energy Kentucky, Inc, that occurred during the fourth quarter 2023.

The changes in officers and directors for Duke Energy Kentucky, Inc, that occurred during the fourth quarter 2023 are as follows:

Resignations effective 12/31/2023	
Larry E. Hatcher	Senior Vice President, Customer Experience and Services
Ronald R. Reising	Executive Vice President and Chief Human Resources Officer
Resignations effective 10/24/2023	
Christopher M. Fallon	Senior Vice President and President, Duke Energy Sustainable Solutions
Appointments effective 10/03/2023	
Melisa B. Johns	Vice President, Renewables Development
Resignations effective 10/03/2023	
Melisa B. Johns	Vice President, Distributed Energy Solutions and Regulated Renewables

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the third quarter 2023 are as follows:

Appointments effective 08/16/2023	
Rounette K. Nader	Vice President, New Nuclear Generation and License Renewal
Resignations effective 07/15/2023	
James Wells	Vice President, New Nuclear Generation
Resignations effective 07/01/2023	
Thomas Sinsid	Vice President, Human Resources, Total Rewards & HR Operations

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the second quarter 2023 are as follows:

Appointments effective 06/30/2023	
Kodwo Ghartey-Tagoe	Director
Resignations effective 06/09/2023	
Dhiaa M. Jamil	Director
Dhiaa M. Jamil	Executive Vice President and Chief Operating Officer
Appointments effective 05/16/2023	
Oscar Suris	Senior Vice President and Chief Communications Officer
Appointments effective 05/01/2023	
Renee H. Metzler	Vice President, Total Rewards and Human Resources Operations
Resignations effective 05/01/2023	
Renee H. Metzler	Managing Director, Total Rewards
Resignations effective 04/30/2023	
Catherine B. Stancombe	Senior Vice President, Enterprise Operational Excellence

The changes in officers and directors for Duke Energy Kentucky, Inc. that occurred during the first quarter 2023 are as follows:

Resignations effective 03/31/2023	
M. Selim Bingol	Senior Vice President and Chief Communications Officer
Appointments effective 03/16/2023	
Donna T. Council	Senior Vice President, Corporate Real Estate, Aviation and Business Services
Resignations effective 03/16/2023	
Donna T. Council	Senior Vice President, Administrative Services
Appointments effective 03/01/2023	
R. Alexander Glenn	Executive Vice President
Ronald R. Reising	Executive Vice President and Chief Human Resources Officer
Louis E. Renjel	Executive Vice President, External Affairs and Communications
Resignations effective 03/01/2023	
R. Alexander Glenn	Senior Vice President
Ronald R. Reising	Senior Vice President and Chief Human Resources Officer
Louis E. Renjel	Senior Vice President, External Affairs and Communications
Appointments effective 01/01/2023	
T. Preston Gillespie Jr.	Executive Vice President, Chief Generation Officer and Enterprise Operational Excellence
Zachary B. Hall	Vice President, Environmental, Health and Safety Programs
James Wells	Vice President, New Nuclear Generation
Jason S. Williams	Senior Vice President, Transmission Maintenance and Construction
Resignations effective 01/01/2023	
T. Preston Gillespie Jr.	Senior Vice President and Chief Generation Officer
James Wells	Vice President, Environmental, Health and Safety Programs and Environmental Sciences

13. N/A

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report End of: 2023/ Q4

Comparative Balance Sheet (Assets And Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,303,112,339	3,141,482,103
3	Construction Work in Progress (107)	200-201	96,665,887	96,808,176
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,399,778,226	3,238,290,279
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,125,191,209	1,067,492,714
6	Net Utility Plant (Total of line 4 less 5)		2,274,587,017	2,170,797,565
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)			
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)			
9	Nuclear Fuel (Total of line 7 less 8)			
10	Net Utility Plant (Total of lines 6 and 9)		2,274,587,017	2,170,797,565
11	Utility Plant Adjustments (116)	122		
12	Gas Stored-Base Gas (117.1)	220		
13	System Balancing Gas (117.2)	220		
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220		
15	Gas Owed to System Gas (117.4)	220		
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		1,311,314	1,267,876
18	(Less) Accum. Provision for Depreciation and Amortization (122)		3,014	
19	Investments in Associated Companies (123)	222-223		
20	Investments in Subsidiary Companies (123.1)	224-225		
22	Noncurrent Portion of Allowances			
23	Other Investments (124)	222-223	1,500	1,500
24	Sinking Funds (125)			
25	Depreciation Fund (126)			
26	Amortization Fund - Federal (127)			
27	Other Special Funds (128)		18,344,727	16,155,189
28	Long-Term Portion of Derivative Assets (175)		85,796	
29	Long-Term Portion of Derivative Assets - Hedges (176)			
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		19,740,323	17,424,565
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		3,067,382	3,326,498

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
33	Special Deposits (132-134)			
34	Working Funds (135)			
35	Temporary Cash Investments (136)	222-223		
36	Notes Receivable (141)			
37	Customer Accounts Receivable (142)		19,600,922	25,957,928
38	Other Accounts Receivable (143)		1,918,271	1,622,091
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		745,575	530,729
40	Notes Receivable from Associated Companies (145)		33,753,872	53,343,537
41	Accounts Receivable from Associated Companies (146)		54,654,163	2,175,350
42	Fuel Stock (151)		39,638,611	38,891,864
43	Fuel Stock Expenses Undistributed (152)			
44	Residuals (Elec) and Extracted Products (Gas) (153)			
45	Plant Materials and Operating Supplies (154)		25,454,519	17,915,826
46	Merchandise (155)			
47	Other Materials and Supplies (156)			
48	Nuclear Materials Held for Sale (157)			
49	Allowances (158.1 and 158.2)		18,470	18,470
50	(Less) Noncurrent Portion of Allowances			
51	Stores Expense Undistributed (163)		1,851,053	1,478,647
52	Gas Stored Underground-Current (164.1)	220		
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220		
54	Prepayments (165)	230	415,920	340,112
55	Advances for Gas (166 thru 167)			
56	Interest and Dividends Receivable (171)			
57	Rents Receivable (172)		4,255	29,779
58	Accrued Utility Revenues (173)			
59	Miscellaneous Current and Accrued Assets (174)		15,093,617	26,035,509
60	Derivative Instrument Assets (175)		1,790,358	4,801,453
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		85,796	
62	Derivative Instrument Assets - Hedges (176)			
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		196,833,042	175,396,344
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		2,449,519	2,838,745
67	Extraordinary Property Losses (182.1)	230		
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230		

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
69	Other Regulatory Assets (182.3)	232	116,599,400	103,143,714
70	Preliminary Survey and Investigation Charges (Electric)(183)		1,147,081	500,583
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)			
72	Clearing Accounts (184)		50	
73	Temporary Facilities (185)			
74	Miscellaneous Deferred Debits (186)	233	2,735,310	2,377,047
75	Deferred Losses from Disposition of Utility Plant (187)			
76	Research, Development, and Demonstration Expend. (188)			
77	Unamortized Loss on Reacquired Debt (189)		154,161	272,341
78	Accumulated Deferred Income Taxes (190)	234-235	74,710,350	74,456,012
79	Unrecovered Purchased Gas Costs (191)		(2,812,674)	1,082,583
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		194,983,217	184,671,025
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		2,680,143,599	2,548,289,499

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	8,779,995	8,779,995
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252	18,838,946.00	18,838,946
7	Other Paid-In Capital (208-211)	253	458,655,189	273,655,189
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 215.1, 216)	118-119	644,082,572	578,920,356
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)	117		
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,130,356,702	880,194,486
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257		
18	(Less) Reacquired Bonds (222)	256-257		
19	Advances from Associated Companies (223)	256-257	25,000,000	25,000,000
20	Other Long-Term Debt (224)	256-257	681,720,000	756,720,000
21	Unamortized Premium on Long-Term Debt (225)	258-259		
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	149,511	161,775
23	(Less) Current Portion of Long-Term Debt			
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		706,570,489	781,558,225
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		7,480,743	8,034,225
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		(158,424)	(128,556)
29	Accumulated Provision for Pensions and Benefits (228.3)		26,905,886	27,056,733
30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		1,386,272	1,547,895
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		88,018,039	107,821,238
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		123,642,516	144,331,535
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt			
38	Notes Payable (231)			
39	Accounts Payable (232)		61,721,705	65,496,093
40	Notes Payable to Associated Companies (233)		92,903,000	81,232,000
41	Accounts Payable to Associated Companies (234)		16,797,299	20,525,341
42	Customer Deposits (235)		8,476,056	9,144,474
43	Taxes Accrued (236)	262-263	180,672	39,215,893
44	Interest Accrued (237)		7,622,927	7,769,371
45	Dividends Declared (238)			
46	Matured Long-Term Debt (239)			
47	Matured Interest (240)			
48	Tax Collections Payable (241)		3,821,514	4,249,492
49	Miscellaneous Current and Accrued Liabilities (242)	268	7,854,560	17,783,558
50	Obligations Under Capital Leases-Current (243)		363,730	344,278
51	Derivative Instrument Liabilities (244)		1,746,894	1,958,185
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		1,386,272	1,547,895
53	Derivative Instrument Liabilities - Hedges (245)			
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges			
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		199,912,085	246,168,790
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		2,520,782	2,520,949
58	Accumulated Deferred Investment Tax Credits (255)		5,120,973	3,364,566
59	Deferred Gains from Disposition of Utility Plant (256)			
60	Other Deferred Credits (253)	269	14,354,084	14,807,873
61	Other Regulatory Liabilities (254)	278	120,050,570	124,170,465
62	Unamortized Gain on Reacquired Debt (257)	260		
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)			
64	Accumulated Deferred Income Taxes - Other Property (282)		353,090,715	327,209,898
65	Accumulated Deferred Income Taxes - Other (283)		30,524,683	23,962,912
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		525,661,807	496,036,463
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		2,686,143,599	2,548,289,499

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Statement of Income

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function, in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate, Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)
1	UTILITY OPERATING INCOME										
2	Gas Operating Revenues (400)	300-301	585,038,544	671,699,503			453,317,918	515,342,766	131,720,626	156,556,737	
3	Operating Expenses										
4	Operation Expenses (401)	317-325	314,264,497	419,640,772			249,550,948	329,769,095	64,713,549	89,877,877	
5	Maintenance Expenses (402)	317-325	33,333,930	34,590,833			30,988,699	32,244,328	2,345,231	2,346,505	
6	Depreciation Expense (403)	336-338	71,219,848	66,082,094			53,727,825	49,783,713	17,492,023	16,298,381	
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	1,527				1,527				
8	Amort. & Depl. of Utility Plant (404-405)	336-338	8,964,793	8,632,951			4,743,185	4,314,108	4,221,608	4,318,843	
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338									
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)										
11	Amortization of Conversion Expenses (407.2)										
12	Regulatory Debits (407.3)		29,047,623	20,189,089			27,693,783	18,961,249	1,353,840	1,227,840	
13	(Less) Regulatory Credits (407.4)		999,040	1,158,927			919,582	1,067,661	79,458	91,266	
14	Taxes Other Than Income Taxes (408.1)	262-263	15,517,515	22,423,684			11,785,321	17,452,041	3,732,194	4,971,643	
15	Income Taxes-Federal (409.1)	262-263	1,773,250	9,255,847			9,069,527	8,497,247	(7,296,277)	758,600	
16	Income Taxes-Other (409.1)	262-263	(1,740,017)	1,330,719			535,181	1,145,949	(2,275,198)	184,770	
17	Provision of Deferred Income Taxes (410.1)	234-235	82,456,849	59,485,831			44,373,598	43,299,664	38,082,751	16,185,967	
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	67,803,131	56,362,309			45,923,485	45,269,083	21,879,646	11,093,226	
19	Investment Tax Credit Adjustment-Net (411.4)		(143,719)	(195,412)				77	(143,719)	(195,489)	
20	(Less) Gains from Disposition of Utility Plant (411.6)										
21	Losses from Disposition of Utility Plant (411.7)										
22	(Less) Gains from Disposition of Allowances (411.8)		686,671	5,004,724			686,671	5,004,724			
23	Losses from Disposition of Allowances (411.9)										
24	Accretion Expense (411.10)		2,370				2,370				

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		485,209,424	576,018,440			384,942,526	454,126,203	100,266,898	124,780,245	
26	Net Utility Operating Income (Total) of lines 2 less 25)		90,829,120	92,983,055			68,375,392	61,216,563	31,453,728	31,766,492	
28	OTHER INCOME AND DEDUCTIONS										
29	Other Income										
30	Nonutility Operating Income										
31	Revenues From Merchandising, Jobbing and Contract Work (415)		2,824,752	1,308,498							
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		87,084	82,509							
33	Revenues From Nonutility Operations (417)			10,621							
34	(Less) Expenses of Nonutility Operations (417.1)		76,445	75,829							
35	Nonoperating Rental Income (418)		(3,014)								
36	Equity in Earnings of Subsidiary Companies (418.1)	119									
37	Interest and Dividend Income (419)		5,220,039	2,871,690							
38	Allowance for Other Funds Used During Construction (419.1)		1,057,191	1,240,377							
39	Miscellaneous Nonoperating Income (421)		834,373	868,030							
40	Gain on Disposition of Property (421.1)		83,825	192,167							
41	TOTAL Other Income (Total of lines 31 thru 40)		9,841,637	6,362,045							
42	Other Income Deductions										
43	Loss on Disposition of Property (421.2)		52,847	121,978							
44	Miscellaneous Amortization (425)										
45	Donations (426.1)	340	500,957	559,067							
46	Life Insurance (426.2)			(9,559)							
47	Penalties (426.3)			4							

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		751,685	579,069							
49	Other Deductions (426.5)		6,642,455	11,073,319							
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	7,947,944	12,324,477							
51	Taxes Applic. to Other Income and Deductions										
52	Taxes Other Than Income Taxes (408.2)	262-263	(4,979)	3,621							
53	Income Taxes-Federal (409.2)	262-263	(10,239,448)	238,282							
54	Income Taxes-Other (409.2)	262-263	(2,549,255)	59,303							
55	Provision for Deferred Income Taxes (410.2)	234-235	13,582,055	1,785,096							
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	10,267	3,591,490							
57	Investment Tax Credit Adjustments-Net (411.5)										
58	(Less) Investment Tax Credits (420)										
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		778,096	(1,505,208)							
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,115,597	(4,457,224)							
61	INTEREST CHARGES										
62	Interest on Long-Term Debt (427)		30,938,749	27,687,076							
63	Amortization of Debt Disc. and Expense (428)	258-259	465,535	421,127							
64	Amortization of Loss on Reacquired Debt (428.1)		118,160	122,140							
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259									
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)										
67	Interest on Debt to Associated Companies (430)	340	6,162,745	1,480,518							
68	Other Interest Expense (431)	340	2,214,513	1,374,974							

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		4,117,502	1,112,022							
70	Net Interest Charges (Total of lines 62 thru 69)		35,782,501	29,973,813							
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		65,162,216	58,552,018							
72	EXTRAORDINARY ITEMS										
73	Extraordinary Income (434)										
74	(Less) Extraordinary Deductions (435)										
75	Net Extraordinary Items (Total of line 73 less line 74)										
76	Income Taxes-Federal and Other (409.3)	262-263									
77	Extraordinary Items after Taxes (line 75 less line 76)										
78	Net Income (Total of line 71 and 77)		65,162,216	58,552,018							

Line No.	Other Utility Previous Year to Date (in dollars) (l)
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Line No.	Other Utility Previous Year to Date (in dollars) (l)
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Line No.	Other Utility Previous Year to Date (in dollars) (l)
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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 114, Line 78) (i)	Total Comprehensive Income (j)
1	Balance of Account 219 at Beginning of Preceding Year									
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income									
3	Preceding Quarter/Year to Date Changes in Fair Value									
4	Total (lines 2 and 3)								58,552,018	58,552,018
5	Balance of Account 219 at End of Preceding Quarter/Year									
6	Balance of Account 219 at Beginning of Current Year									
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income									
8	Current Quarter/Year to Date Changes in Fair Value									
9	Total (lines 7 and 8)								65,162,216	65,162,216
10	Balance of Account 219 at End of Current Quarter/Year									

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		578,920,356	520,368,338
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
3.1	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
3.2	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
4	Adjustments to Retained Earnings Credit (Debit)			
5	Balance Transferred from Income (Account 433 less Account 418.1)		65,162,216	58,552,018
7	Appropriations of Retained Earnings (Account 436)			
7.1	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
8	Appropriations of Retained Earnings Amount			
9	Dividends Declared-Preferred Stock (Account 437)			
9.1	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
10	Dividends Declared-Preferred Stock Amount			
11	Dividends Declared-Common Stock (Account 438)			
11.1	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)			
12	Dividends Declared-Common Stock Amount			
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		644,082,572	578,920,356
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines of 16 and 18)			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 19)		644,082,572	578,920,356
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
25.1	Other Changes (Explain)			
26	Balance-End of Year			
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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Statement of Cash Flows

1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 27) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 114)	65,162,216	58,552,018
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	71,221,375	66,062,094
5	Amortization of (Specify) (footnote details)		
5.1	Amortization of (Specify)		
5.2	Plant Items	8,964,793	8,632,951
5.3	Debt Discount, Premium, Expense, and Loss on Reacquired Debt	583,096	543,287
6	Deferred Income Taxes (Net)	28,225,306	1,317,128
7	Investment Tax Credit Adjustments (Net)	(143,716)	(185,412)
8	Net (Increase) Decrease in Receivables	(48,377,607)	2,865,225
9	Net (Increase) Decrease in Inventory	(8,415,150)	(8,742,735)
10	Net (Increase) Decrease in Allowances Inventory		719
11	Net Increase (Decrease) in Payables and Accrued Expenses	(49,801,451)	50,278,727
12	Net (Increase) Decrease in Other Regulatory Assets	19,201,907	33,520,888
13	Net Increase (Decrease) in Other Regulatory Liabilities	641,818	684,996
14	(Less) Allowance for Other Funds Used During Construction	1,057,191	1,249,377
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other Adjustments to Cash Flows from Operating Activities		
16.1	Other Adjustments to Cash Flows from Operating Activities		
16.2	Special funds	(2,104,057)	(1,462,178)
16.3	Prepayments	(75,808)	74,689
16.4	Miscellaneous Current and Accrued Assets	5,241,397	(1,307,047)
16.5	Preliminary Survey and Investigation Charges	(546,498)	(110,644)
16.6	Clearing Accounts	(50)	6
16.7	Miscellaneous Deferred Debits	(358,263)	(161,358)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
16.8	Unrecovered Purchased Gas Costs	3,995,257	45,899
16.9	Obligations Under Capital Leases - Noncurrent	(543,482)	(344,278)
16.10	Accumulated Provisions	1,001,027	1,700,257
16.11	Contribution to Pension Plan	(1,508,640)	(852,924)
16.12	Customer Advances for Construction	(167)	368,198
16.13	Other Deferred Credits	(906,295)	561,189
16.14	Derivative Instruments	(332,505)	(672,243)
16.15	Net Utility Plant and Nonutility Property	(6,408,529)	(34,901,051)
16.16	Debt Expenses	(11,971)	(3,500)
16.17	Deferred Income Taxes	224,545	311,421
18	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 16)	65,874,264	175,556,925
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(222,275,933)	(172,699,698)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant	(6,119,928)	(3,425,677)
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(1,057,191)	(1,249,377)
27	Other Construction and Acquisition of Plant, Investment Activities		
27.1	Other Construction and Acquisition of Plant, Investment Activities		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(227,338,670)	(174,875,998)
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		
33	Investments in and Advances to Associated and Subsidiary Companies		
34	Contributions and Advances from Associated and Subsidiary Companies		
36	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		
40	Loan Made or Purchased		
41	Collections on Loans		
43	Net (Increase) Decrease in Receivables	19,585,665	(30,947,034)
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other Adjustments to Cash Flows from Investment Activities:		
47.1	Other Adjustments to Cash Flows from Investment Activities:		

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
49	Net Cash Provided by (Used in) Investing Activities (Total of lines 28 thru 47)	(207,752,005)	(205,823,032)
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Proceeds from Issuance of Long-Term Debt (b)	25,000,000	50,000,000
54	Proceeds from Issuance of Preferred Stock		
55	Proceeds from Issuance of Common Stock		
56	Net Increase in Debt (Long Term Advances)		
56.1	Net Increase in Debt (Long Term Advances)		
56.2	Contribution from Parent	185,000,000	
57	Net Increase in Short-term Debt (c)		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	210,000,000	50,000,000
61	Payments for Retirement		
62	Payments for Retirement of Long-Term Debt (b)	(99,943,778)	(380,028)
63	Payments for Retirement of Preferred Stock		
64	Payments for Retirement of Common Stock		
65	Other Retirements		
65.1	Intercompany Moneypool Payable	11,671,000	(21,364,001)
66	Net Decrease in Short-Term Debt (c)		
67	Other Adjustments to Financing Cash Flows		
67.1	Other Adjustments to Financing Cash Flows	(108,597)	(145,915)
68	Dividends on Preferred Stock		
69	Dividends on Common Stock		
70	Net Cash Provided by (Used in) Financing Activities (Total of lines 59 thru 69)	121,618,625	28,110,058
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(259,116)	(2,156,049)
76	Cash and Cash Equivalents at Beginning of Period	3,326,498	5,482,547
78	Cash and Cash Equivalents at End of Period	[(a)]3,067,382	3,326,498

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: CashAndCashEquivalents

		YTD December 2022	YTD December 2021
Supplemental Disclosures (in thousands)			
Cash paid for interest, net of amount Capital	$	28,005 $	25,688
Cash paid / (refunded) for income taxes	$	(11,154) $	2,019
Significant non-cash transactions (in thousands)			
AFUDC - equity component	$	1,249 $	1,260
Accrued capital expenditures	$	30,310 $	28,490
Cash and Cash Equivalents at End of period:			
Cash (131)	$	3,326,498 $	5,482,547
Working Funds (135)		$ 0	$ 0
Temporary Cash Investments (136)		$ 0	$ 0
	$	3,326,498 $	5,482,547

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Notes to Financial Statements

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

This Federal Energy Regulatory Commission (FERC) Form 2 has been prepared in conformity with the requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles in the United States of America (GAAP). The following areas represent the significant differences between the Uniform System of Accounts and GAAP:

- GAAP requires that public business enterprises report certain information about operating segments in complete sets of financial statements of the enterprise and certain information about their products and services, which are not required for FERC reporting purposes.
- GAAP requires that majority-owned subsidiaries be consolidated for financial reporting purposes. FERC requires that majority-owned subsidiaries be separately reported as Investment in Subsidiary Companies, unless an appropriate waiver has been granted by FERC.
- FERC requires that income or losses of an unusual nature and infrequent occurrence, which would significantly distort the current year's income, be recorded as extraordinary income or deductions, respectively.
- GAAP requires that removal and nuclear decommissioning costs for property that does not have an associated legal retirement obligation be presented as a regulatory liability on the Balance Sheet. These costs are presented as accumulated depreciation on the Balance Sheet for FERC reporting purposes.
- GAAP requires the regulatory assets and liabilities resulting from the implementation of ASC 740-10 (formerly SFAS No. 109) be presented as a net amount on the balance sheet. For FERC reporting purposes, these assets and liabilities are presented separately and are included in the Other Regulatory Asset and Other Regulatory Liability line items.
- GAAP requires that the current portion of regulatory assets and regulatory liabilities be reported as current assets and current liabilities, respectively, on the Balance Sheet. FERC requires that the current portion of regulatory assets and liabilities be reported as Regulatory Assets within Deferred Debits and Regulatory Liabilities within Deferred Credits, respectively.
- GAAP requires that any deferred costs associated with a specific debt issuance be presented as a reduction to debt on the Balance Sheet. FERC requires any Unamortized Debt Expense to be separately stated as a Deferred Debit on the Balance Sheet.
- GAAP requires that certain account balances within financial statement line items which are not in the natural position for that line item (e.g. an account within Accounts Receivable with a credit balance) be reclassed to the appropriate side of the Balance Sheet. FERC does not require certain accounts which are not in a natural position for their respective line item to be reclassed, as long as the line item in total is in its natural position.
- GAAP requires that regulated assets that are abandoned or retired early, including the cost of the asset and its associated accumulated depreciation, be reclassified to a separate regulatory asset on the Balance Sheet. For FERC reporting purposes, those assets which have been abandoned but are still operating are maintained in their original balance sheet accounts.
- GAAP requires that the current portion of Asset Retirement Obligations be reported as current liabilities on the Balance Sheet. For FERC reporting purposes, these liabilities are not reported separately and are reflected as Asset Retirement Obligations within the Other Noncurrent Liabilities section of the Balance Sheet.
- GAAP requires service cost related to pensions and Post-Retirement Benefits Other Than Pensions (PBOP) to be reported with other compensation costs arising from services rendered by employees during the period and included in a subtotal of income from operations on the income statement. Non-service cost components are presented separately outside the subtotal of income from operations on the income statement. For FERC reporting purposes, costs related to pensions and PBOP is included in the Net Utility Operating Income of the income statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Duke Energy Kentucky is a combination electric and natural gas regulated public utility company that provides service in northern Kentucky. Duke Energy Kentucky's principal lines of business include generation, transmission, distribution and sale of electricity, as well as the transportation and sale of natural gas. Duke Energy Kentucky is subject to the regulatory provisions of the KPSC and the FERC. Duke Energy Kentucky's common stock is wholly owned by Duke Energy Ohio, Inc., an indirect wholly owned subsidiary of Duke Energy.

Certain prior year amounts have been reclassified to conform to the current year presentation.

Other Current Assets and Liabilities

The following table provides a description of amounts included in Other within Current Assets or Current Liabilities that exceed 5% of total Current Assets or Current Liabilities on the Duke Energy Kentucky Balance Sheets at either December 31, 2023, or 2022.

		December 31,		
(in thousands)	Location	2023		2022
Income Taxes Receivable	Current Assets $	10,398	$	—
Collateral Assets	Current Assets	11,458		15,865

SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

In preparing financial statements that conform to GAAP, Duke Energy Kentucky must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Regulatory Accounting

The majority of Duke Energy Kentucky's operations are subject to price regulation for the sale of electricity and natural gas by the KPSC or FERC. When prices are set on the basis of specific costs of the regulated operations and an effective franchise is in place such that sufficient natural gas or electric services can be sold to recover those costs, Duke Energy Kentucky applies regulatory accounting. Regulatory accounting changes the timing of the recognition of costs or revenues relative to a company that does not apply regulatory accounting. As a result, regulatory assets and regulatory liabilities are recognized on the Balance Sheets and are amortized consistent with the treatment of the related cost in the ratemaking process. Regulatory assets are reviewed for recoverability each reporting period. If a regulatory asset is no longer deemed probable of recovery, the deferred cost is charged to earnings. See Note 2 for further information.

Duke Energy Kentucky utilizes cost-tracking mechanisms, commonly referred to as fuel adjustment clauses or purchased gas adjustment clauses. These clauses allow for the recovery of fuel and fuel-related costs, portions of purchased power, natural gas costs and hedging costs through surcharges on customer rates. The difference between the costs incurred and the surcharge revenues is recorded either as an adjustment to Operating Revenues, Operating Expenses - Fuel used in electric generation and purchased power or Operating Expenses - Cost of natural gas on the Statements of Operations with an offsetting impact on regulatory assets or regulatory liabilities.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of acquisition are considered cash equivalents.

Inventory

Inventory related to regulated operations is valued at historical cost. Inventory is charged to expense or capitalized to property, plant and equipment when issued, primarily using the average cost method. Excess or obsolete inventory is written-down to the lower of cost or net realizable value. Once inventory has been written-down, it creates a new cost basis for the inventory that is not subsequently written-up. Provisions for inventory write-offs were not material at December 31, 2023, and 2022. The components of inventory are presented in the table below.

	December 31,			
(in thousands)		2023		2022
Materials and supplies	$	27,306	$	19,395
Coal		28,153		33,706
Natural gas, oil and other		11,685		5,175
Total inventory	$	67,144	$	58,276

Long-Lived Asset Impairments

Duke Energy Kentucky evaluates long-lived assets for impairment when circumstances indicate the carrying value of those assets may not be recoverable. An impairment exists when a long-lived asset's carrying value exceeds the estimated undiscounted cash flows expected to result from the use and eventual disposition of the asset. The estimated cash flows may be based on alternative expected outcomes that are probability weighted. If the carrying value of the long-lived asset is not recoverable based on these estimated future undiscounted cash flows, the carrying value of the asset is written-down to its then-current estimated fair value and an impairment charge is recognized.

Duke Energy Kentucky assesses the fair value of long-lived assets using various methods, including recent comparable third-party sales, internally developed discounted cash flow analysis and analysis from outside advisors. Triggering events to reassess cash flows may include, but are not limited to, significant changes in commodity prices, the condition of an asset or management's interest in selling the asset.

Property, Plant and Equipment

Property, plant and equipment are stated at the lower of depreciated historical cost net of any disallowances or fair value, if impaired. Duke Energy Kentucky capitalizes all construction-related direct labor and material costs, as well as indirect construction costs such as general engineering, taxes and financing costs. See "Allowance for Funds Used During Construction and Interest Capitalized" below for information on capitalized financing costs. Costs of renewals and betterments that extend the useful life of property, plant and equipment are also capitalized. The cost of repairs, replacements and major maintenance projects, which do not extend the useful life or increase the expected output of the asset, are expensed as incurred. Depreciation is generally computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update composite rates and are approved by the KPSC and/or the FERC when required. The composite weighted average depreciation rate was 2.6% and 2.4% for the years ended December 31, 2023, and 2022, respectively.

In general, when Duke Energy Kentucky retires its regulated property, plant and equipment, the original cost plus the cost of retirement, less salvage value and any depreciation already recognized, is charged to accumulated depreciation. However, when it becomes probable a regulated asset will be retired substantially in advance of its original expected useful life or will be abandoned, the cost of the asset and the corresponding accumulated depreciation is recognized as a separate asset. If the asset is still in operation, the net amount is classified as Facilities to be retired, net on the Balance Sheets. If the asset is no longer operating, the net amount is classified in Regulatory assets on the Balance Sheets if deemed recoverable (see discussion of long-lived asset impairments above). The carrying value of the asset is based on historical cost if Duke Energy Kentucky is allowed to recover the remaining net book value and a return equal to at least the incremental borrowing rate. If not, an impairment is recognized to the extent the net book value of the asset exceeds the present value of future revenues discounted at the incremental borrowing rate.

When Duke Energy Kentucky sells entire regulated operating units, the original cost and accumulated depreciation and amortization balances are removed from Property, Plant and Equipment on the Balance Sheets. Any gain or loss is recorded in earnings, unless otherwise required by the KPSC and/or the FERC. See Note 7 for further information.

Leases

Duke Energy Kentucky determines if an arrangement is a lease at contract inception based on whether the arrangement involves the use of a physically distinct identified asset and whether Duke Energy Kentucky has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period as well as the right to direct use of the asset. As a policy election, Duke Energy Kentucky does not evaluate arrangements with initial contract terms of less than one year as leases.

Operating leases are included in Operating lease ROU assets, net, Other current liabilities and Operating lease liabilities on the Balance Sheets.

For lessee and lessor arrangements, Duke Energy Kentucky has elected a policy to not separate lease and non-lease components for all asset classes. For lessor arrangements, lease and non-lease components are only combined under one arrangement and accounted for under the lease accounting framework if the non-lease components are not the predominant component of the arrangement and the lease component would be classified as an operating lease.

Allowance for Funds Used During Construction and Interest Capitalized

For regulated operations, the debt and equity costs of financing the construction of property, plant and equipment are reflected as AFUDC and capitalized as a component of the cost of property, plant and equipment. AFUDC equity is reported on the Statements of Operations as non-cash income in Other Income and Expenses, net. AFUDC debt is reported as a non-cash offset to Interest Expense on the Statements of Operations. After construction is completed, Duke Energy Kentucky is permitted to recover these costs through their inclusion in rate base and the corresponding subsequent depreciation or amortization of those regulated assets.

AFUDC equity, a permanent difference for income taxes, reduces the effective tax rate when capitalized and increases the effective tax rate when depreciated or amortized. See Note 16 for additional information.

Asset Retirement Obligations

AROs are recognized for legal obligations associated with the retirement of property, plant and equipment. When recording an ARO, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. For operating plants, the present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. For retired plants, the present value of the liability is recorded as a regulatory asset unless determined not to be probable of recovery.

The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows, selection of discount rates and cost escalation rates, among other factors. These estimates are subject to change. Depreciation expense is adjusted prospectively for any changes to the carrying amount of the associated asset. Duke Energy Kentucky receives amounts to fund the cost of the ARO from regulated revenues. As a result, amounts recovered in regulated revenues, accretion expense and depreciation of the associated asset are netted and deferred as a regulatory asset or regulatory liability.

Obligations for closure of ash basins are based upon discounted cash flows of estimated costs for site-specific plans, if known, or probability weightings of the potential closure methods if the closure plans are under development and multiple closure options are being considered and evaluated on a site-by-site basis. See Note 6 for further information.

Accounts Payable

Duke Energy has a voluntary supply chain finance program (the "program") with a global financial institution. Duke Energy Kentucky is a participant in this enterprise-wide program offered to suppliers. The program allows Duke Energy Kentucky suppliers, at their sole discretion, to sell their receivables from Duke Energy Kentucky to the financial institution at a rate that leverages Duke Energy Kentucky's credit rating and, which may result in favorable terms compared to the rate available to the supplier on their own credit rating. Suppliers participating in the program determine at their sole discretion which invoices they will sell to the financial institution. Suppliers' decisions on which invoices are sold do not impact Duke Energy Kentucky's payment terms, which are based on commercial terms negotiated between Duke Energy Kentucky and the supplier regardless of program participation. The commercial terms negotiated between Duke Energy Kentucky and its suppliers are consistent regardless of whether the supplier elects to participate in the program. Duke Energy Kentucky does not issue any guarantees with respect to the program and does not participate in negotiations between suppliers and the financial institution. Duke Energy Kentucky does not have an economic interest in the supplier's decision to participate in the program and receives no interest, fees or other benefit from the financial institution based on supplier participation in the program.

Supplier invoices sold to the financial institution under the program were immaterial for the years ended December 31, 2023, and 2022, respectively, for Duke Energy Kentucky. All activity related to amounts due to suppliers who elected to participate in the program are included within Net cash provided by operating activities on the Statements of Cash Flows.

Revenue Recognition

Duke Energy Kentucky recognizes revenue as customers obtain control of promised goods and services in an amount that reflects consideration expected in exchange for those goods or services. Generally, the delivery of electricity and natural gas results in the transfer of control to customers at the time the commodity is delivered and the amount of revenue recognized is equal to the amount billed to each customer, including estimated volumes delivered when billings have not yet occurred. See Note 15 for further information.

Derivatives and Hedging

Derivative instruments may be used in connection with commodity price and interest rate activities, including swaps, futures, forwards and options. All derivative instruments, except those that qualify for the normal purchase/normal sale exception, are recorded on the Balance Sheets at fair value. For activity subject to regulatory accounting, gains and losses on derivative contracts are reflected as regulatory assets or regulatory liabilities and not as other comprehensive income or current period income. As a result, changes in fair value of these derivatives have no immediate earnings impact. See Note 10 for further information.

Loss Contingencies and Environmental Liabilities

Contingent losses are recorded when it is probable a loss has occurred and can be reasonably estimated. When a range of the probable loss exists and no amount within the range is a better estimate than any other amount, the minimum amount in the range is recorded. Unless otherwise required by GAAP, legal fees are expensed as incurred.

Environmental liabilities are recorded on an undiscounted basis when environmental remediation or other liabilities become probable and can be reasonably estimated. Environmental expenditures related to past operations that do not generate current or future revenues are expensed. Environmental expenditures related to operations that generate current or future revenues are expensed or capitalized, as appropriate. Certain environmental expenditures receive regulatory accounting treatment and are recorded as regulatory assets. See Notes 2 and 3 for further information.

Severance and Special Termination Benefits

Duke Energy Kentucky participates in severance plans for the general employee population under which, in general, the longer a terminated employee worked prior to termination the greater the amount of severance benefits provided. A liability for involuntary severance is recorded once an involuntary severance plan is committed to by management if involuntary severances are probable and can be reasonably estimated. For involuntary severance benefits incremental to its ongoing severance plan benefits, the fair value of the obligation is expensed at the communication date if there are no future service requirements or over the required future service period. Duke Energy Kentucky also offers special termination benefits under voluntary severance programs. Special termination benefits are recorded immediately upon employee acceptance absent a significant retention period. Otherwise, the cost is recorded over the remaining service period. Employee acceptance of voluntary severance benefits is determined by management based on the facts and circumstances of the benefits being offered. See Note 14 for further information.

Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and foreign jurisdictional returns. Duke Energy Kentucky has a tax-sharing agreement with Duke Energy, and income taxes recorded represent amounts Duke Energy Kentucky would incur as a separate C-Corporation. Deferred income taxes have been provided for temporary differences between GAAP and tax bases of assets and liabilities because the differences create taxable or tax-deductible amounts for future periods. Investment tax credits associated with regulated operations are deferred and amortized as a reduction of income tax expense over the estimated useful lives of the related properties.

Accumulated deferred income tax is valued using the enacted tax rate expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be settled or realized. In the event of a change in tax rates, deferred tax assets and liabilities are remeasured as of the enactment date of the new rate. To the extent that the change in the value of the deferred tax represents an obligation to customers, the impact of the remeasurement is deferred to a regulatory liability. Remaining impacts are recorded in income from continuing operations. If Duke Energy Kentucky's estimate of the tax effect of reversing temporary differences is not reflective of actual outcomes, is modified to reflect new developments or interpretations of the tax law, is revised to incorporate new accounting principles, or changes in the expected timing or manner of the reversal then Duke Energy Kentucky's results of operations could be impacted.

Tax-related interest and penalties are recorded in Interest Expense and Other Income and Expenses, net, in the Statements of Operations. See Note 16 for further information.

Dividend Restrictions

Duke Energy Kentucky is required to pay dividends solely out of retained earnings and to maintain a minimum of 35% equity in its capital structure.

New Accounting Standards

The new Accounting Standard Updates adopted for 2023 and 2022 had no material impact on the presentation or results of operations, cash flows or financial position of Duke Energy Kentucky.

2. REGULATORY MATTERS REGULATORY

ASSETS AND LIABILITIES

Duke Energy Kentucky records regulatory assets and liabilities that result from the ratemaking process. See Note 1 for further information.

The following table represents the regulatory assets and liabilities on the Balance Sheets.

	December 31,				Earns/Pays	Recovery/Refund
(in thousands)		2023		2022	a Return	Period Ends
Regulatory Assets[(a)]						
East Bend deferrals	$	24,483		22,515	X	(c)
Accrued pension and other post-retirement benefits		26,891		27,144		(b)
CCR regulatory asset		22,102		—	X	(c)
AROs – coal ash		18,674		—	X	(c)(g)
East Bend outage normalization		11,672		9,557		2025
Deferred fuel and purchased gas costs		5,359		13,422		(d)(g)2024
ESM Deferral		4,905		4,751		(g)2024
Deferred Forced Outage Purchased Power		4,424		5,850		2028
Advanced Metering Infrastructure		2,781		3,130		2035
Deferred gas integrity costs		1,671		1,943	X	2029
Hedge costs and other deferrals		1,388		1,548		(e)
Vacation accrual		1,112		1,121		2024
Carbon management research grant		867		1,067		2028
Storm cost deferrals		280		818		(c)
Deferred debt expense		184		272		2036
Demand side management/Energy efficiency costs		—		1,430		(c)(d)
Other		3,029		846		(c)(d)
Total regulatory assets		130,648		105,030		
Less: current portion		21,018		34,489		
Total noncurrent regulatory assets	$	109,630	$	70,541		
Regulatory Liabilities[(a)]						
Net regulatory liability related to income taxes	$	106,250		110,666		(c)
Accrued pension and other post-retirement benefits		5246		5,639		(b)
Deferred fuel and purchased gas costs		4784		7,317		(d)2024
Demand side management/Energy efficiency costs		2277		1,895		(c)(d)
Hedge costs and other deferrals		2		3,128		(e)
Profit sharing mechanism		0		8,067		
Costs of removal		0		(9,503)		(f)
Other		562		182		(c)(e)
Total regulatory liabilities		118,131		125,995		
Less: current portion		14,554		20,644		
Total noncurrent regulatory liabilities	$	103,577	$	105,351		

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 15 for further information.
(c) The expected recovery or refund period varies or has not been determined.
(d) Deferred costs are recovered through a rider mechanism.
(e) Some amounts relate to unrealized gains and losses on derivatives recorded as a regulatory asset or liability, respectively, until the contracts are settled.
(f) Represents funds received from customers to cover future removal of property, plant and equipment from retired or abandoned sites as property is retired. Included in rate base and recovered over the life of associated assets.
(g) Certain amounts are recovered through rates.

RATE RELATED INFORMATION

The KPSC approves rates for retail electric and natural gas services within the Commonwealth of Kentucky. The FERC approves rates for electric sales to wholesale customers served under cost-based rates, as well as sales of transmission service.

Duke Energy Kentucky Electric Base Rate Case

On December 1, 2022, Duke Energy Kentucky filed a rate case with the KPSC requesting an annualized increase in electric base rates of approximately $75 million. The request for rate increase is driven by capital investments to strengthen the electricity generation and delivery systems along with adjusted depreciation rates for the East Bend and Woodsdale generation stations to support the energy transition. Duke Energy Kentucky also requested new programs and tariff updates, including a voluntary community-based renewable subscription program and two EV charging programs. The KPSC issued an order on October 12, 2023, including a $48 million increase in base revenues, an ROE of 9.75% for electric base rates and 9.65% for electric riders and an equity ratio of 52.145%. New rates went into effect October 13, 2023. The company's request to align the depreciation rates of East Bend with a 2035 retirement date was denied and the KPSC ordered depreciation rates with a 2041 retirement date for the unit. The KPSC did approve the request to align the depreciation rates of Woodsdale CT with a 2040 retirement date and denied the voluntary community-based renewable subscription program and the two electric vehicle charging programs.

On November 1, 2023, Duke Energy Kentucky filed for rehearing requesting certain matters be reconsidered by the KPSC. On November 21, 2023, KPSC granted in part and denied in part the company's request for rehearing. On February 15, 2024, the KPSC issued a briefing schedule for the rehearing process. Simultaneous briefs are due on March 18, 2024, simultaneous reply briefs are due on April 1, 2024, and the matter shall stand submitted on April 2, 2024. On December 14, 2023, Duke Energy Kentucky filed an appeal with the Franklin County Circuit Court on certain matters for which the KPSC denied rehearing, specifically as it relates to including decommissioning costs in depreciation rates for East Bend and Woodsdale. On January 8, 2024, answers to the appeal were filed by the KPSC, Kentucky Attorney General, and the Kentucky Broadband & Cable Association. Duke Energy Kentucky cannot predict the outcome of this matter.

Midwest Propane Cavern

Duke Energy Kentucky used propane stored in a cavern to meet peak demand during winter for several decades. Duke Energy Ohio installed a new natural gas pipeline (the Central Corridor Project) in its Ohio service territory to increase system reliability and enable the retirement of older infrastructure. Once the Central Corridor Project was complete and placed in service, the propane peaking facility was no longer necessary and was retired. On October 7, 2021, and November 4, 2021, Duke Energy Ohio and Duke Energy Kentucky, respectively, filed requests with the Public Utility Commission of Ohio and the KPSC to establish a regulatory asset for their share of expenses incurred related to the retirement of the propane storage cavern and associated propane-air facilities. On January 31, 2022, the KPSC issued an order denying Duke Energy Kentucky's request. As a result of the KPSC order, Duke Energy Kentucky recorded a $6.7 million charge to Impairment of assets and other charges on Duke Energy Kentucky's Statement of Operations and Comprehensive Income in 2022.

3. COMMITMENTS AND CONTINGENCIES

GENERAL INSURANCE

Duke Energy Kentucky has insurance and/or reinsurance coverage either directly or through indemnification from Duke Energy's captive insurance company, Bison Insurance Company Limited, and its affiliates, consistent with companies engaged in similar commercial operations with similar type properties. Duke Energy Kentucky's coverage includes (i) commercial
general liability coverage for liabilities arising to third parties for bodily injury and property damage; (ii) workers' compensation; (iii) automobile liability coverage; and (iv) property coverage for all real and personal property damage. Real and personal property damage coverage excludes electric transmission and distribution lines, but includes damages arising from boiler and machinery breakdowns, earthquakes, flood damage and extra expense, but not outage or replacement power coverage. All coverage is subject to certain deductibles or retentions, sublimits, exclusions, terms and conditions common for companies with similar types of operations. Duke Energy Kentucky self-insures its electric transmission and distribution lines against loss due to storm damage and other natural disasters.
The cost of Duke Energy Kentucky's coverage can fluctuate year to year reflecting claims history and conditions of the insurance and reinsurance markets.
In the event of a loss, terms and amounts of insurance and reinsurance available might not be adequate to cover claims and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on Duke Energy Kentucky's results of operations, cash flows or financial position. Duke Energy Kentucky is responsible to the extent losses may be excluded or exceed limits of the coverage available.

ENVIRONMENTAL

Duke Energy Kentucky is subject to federal, state and local regulations regarding air and water quality, hazardous and solid waste disposal, coal ash and other environmental matters. These regulations can be changed from time to time, imposing new obligations on Duke Energy Kentucky.

Remediation Activities

In addition to the AROs discussed in Note 6, Duke Energy Kentucky is responsible for environmental remediation at various sites. These include certain properties that are part of ongoing operations and sites formerly owned or used by Duke Energy Kentucky. These sites are in various stages of investigation, remediation and monitoring. Managed in conjunction with relevant federal, state and local agencies, remediation activities vary based upon site conditions and location, remediation requirements, complexity and sharing of responsibility. If remediation activities involve joint and several liability provisions, strict liability, or cost recovery or contribution actions, Duke Energy Kentucky could potentially be held responsible for environmental impacts caused by other potentially responsible parties, and may also benefit from insurance policies or contractual indemnities that cover some or all cleanup costs. Liabilities are recorded when losses become probable and are reasonably estimable. The total costs that may be incurred cannot be estimated because the extent of environmental impact, allocation among potentially responsible parties, remediation alternatives and/or regulatory decisions have not yet been determined. Additional costs associated with remediation activities are likely to be incurred in the future and could be significant. Costs are typically expensed as Operation, maintenance and other on the Statements of Operations unless regulatory recovery of the costs is deemed probable.

Duke Energy Kentucky has accrued approximately $616 thousand of probable and estimable costs related to its various environmental sites in Other within Other Noncurrent Liabilities on the Balance Sheets as of December 31, 2023, and 2022. Additional losses in excess of recorded reserves are expected to be immaterial for the stages of investigation, remediation and monitoring for the environmental sites that have been evaluated. The maximum amount of the range for all stages of Duke Energy Kentucky's environmental sites cannot be determined at this time.

LITIGATION

Duke Energy Kentucky is involved in other legal, tax and regulatory proceedings arising in the ordinary course of business, some of which involve significant amounts. Duke Energy Kentucky believes the final disposition of these proceedings will not have a material effect on its results of operations, cash flows or financial position. Duke Energy Kentucky expenses legal costs related to the defense of loss contingencies as incurred.

OTHER COMMITMENTS AND CONTINGENCIES

General

As part of its normal business, Duke Energy Kentucky is party to various financial guarantees, performance guarantees and other contractual commitments to extend guarantees of credit and other assistance to various third parties. These guarantees involve elements of performance and credit risk, which are not included on the Balance Sheets. The possibility of Duke Energy Kentucky having to honor its contingencies is largely dependent upon future operations of various third parties or the occurrence of certain future events.
Purchase Obligations

Pipeline and Storage Capacity Contracts

Duke Energy Kentucky enters into pipeline and storage capacity contracts that commit future cash flows to acquire services needed in its business. Costs arising from capacity commitments are recovered via the Gas Cost Adjustment Clause in Kentucky. The time period for fixed payments under these pipeline and storage capacity contracts is up to 20 years.

Certain storage and pipeline capacity contracts require the payment of demand charges that are based on rates approved by the FERC in order to maintain rights to access the natural gas storage or pipeline capacity on a firm basis during the contract term. The demand charges that are incurred in each period are recognized in the Statements of Operations as part of natural gas purchases and are included in Cost of natural gas.

The following table presents future unconditional purchase obligations under these contracts.

(in thousands)		December 31, 2023
2024	$	22,287
2025		15,788
2026		13,327
2027		12,932
2028		12,932
Thereafter		183,122
Total	$	259,388

4. LEASES

As part of its operations, Duke Energy Kentucky leases space on communication towers, meters and office space under various terms and expiration dates. Certain Duke Energy Kentucky lease agreements include options for renewal and early termination. The intent to renew a lease varies depending on the lease type and asset. Renewal options that are reasonably certain to be exercised are included in the lease measurements. The decision to terminate a lease early is dependent on various economic factors. No termination options have been included in any of the lease measurements.

Duke Energy Kentucky has certain lease agreements, which include variable lease payments that are based on the usage of an asset. These variable lease payments are not included in the measurement of the ROU assets or operating lease liabilities on the Balance Sheets.

The following table presents the components of lease expense and are included in Operations, maintenance and other on the Statements of Operations.

	Years Ended December 31,	
(in thousands)	2023	2022
Operating lease expense	$ 1,879	$ 1,709
Short-term lease expense	—	53
Variable lease expense	43	45
Total lease expense	$ 1,922	$ 1,866

The following table presents operating lease maturities and a reconciliation of the undiscounted cash flows to operating lease liabilities.

(in thousands)	December 31, 2023
2024	$ 695
2025	709
2026	723
2027	737
2028	752
Thereafter	6,943
Total operating lease payments	10,560
Less: present value discount	(2,705)
Total operating lease liabilities[a]	$ 7,855

(a) Certain operating lease payments include renewal options that are reasonably certain to be exercised.

The following tables contain additional information related to leases.

		December 31,	
(in thousands)	Classification	2023	2022
Assets			
Operating	Operating lease ROU assets, net	$ 7,430	$ 8,016
Total lease assets		$ 7,430	$ 8,016
Liabilities			
Current			
Operating	Other current liabilities	$ 364	$ 344
Noncurrent			
Operating	Operating lease liabilities	$ 7,491	$ 8,034
Total lease liabilities		$ 7,855	$ 8,378

	Years ended December 31,	
(in thousands)	2023	2022
Cash paid for amounts included in the measurement of lease liabilities[a]		
Operating cash flows from operating leases	$ 697	$ 688

(a) No amounts were classified as investing cash flows from operating leases for the years ended December 31, 2023, and 2022.

	December 31,	
	2023	2022
Weighted-average remaining lease term (years)		
Operating leases	13	15
Weighted-average discount rate[a]		
Operating leases	4.4 %	4.4 %

(a) The discount rate is calculated using the rate implicit in a lease if it is readily determinable. Generally, the rate used by the lessor is not provided to Duke Energy Kentucky and in these cases the incremental borrowing rate is used. Duke Energy Kentucky will typically use its fully collateralized incremental borrowing rate as of the commencement date to calculate and record the lease. The incremental borrowing rate is influenced by the lessee's credit rating and lease term and as such may differ for individual leases, embedded leases or portfolios of leased assets.

5. DEBT AND CREDIT FACILITIES

SUMMARY OF DEBT AND RELATED TERMS

The following table summarizes outstanding debt.

(in thousands)	Weighted Average Interest Rate	Year Due		December 31, 2023		2022
Unsecured debt	4.01 %	2025 - 2057	$	605,000	$	680,000
Tax-exempt bonds[(a)(b)]	3.79 %	2027		75,720		75,720
Money pool borrowings[(b)(c)]	5.76 %	2028		117,903		109,332
Unamortized debt discount and premium, net				(150)		(161)
Unamortized debt issuance costs				(2,008)		(2,402)
Total debt	4.18 %		$	787,456	$	860,389
Short-term money pool borrowings				(82,933)		(81,232)
Current maturities of long-term debt				—		(74,980)
Total long-term debt			$	704,562	$	704,177

(a) Includes $27 million that is secured by a bilateral letter of credit agreement at December 31, 2023, and 2022.
(b) Floating-rate debt. At December 31, 2022, the weighted average interest rate was 3.72% and 4.31% for tax-exempt bonds and money pool borrowings, respectively.
(c) Includes $25 million classified as Long-Term Debt Payable to Affiliated Companies on the Balance Sheets at December 31, 2023, and 2022.

MATURITIES AND CALL OPTIONS

The following table shows the annual maturities of long-term debt for the next five years and thereafter. Amounts presented exclude short-term notes payable.

(in thousands)		December 31, 2023
2024	$	—
2025		95,000
2026		45,000
2027		75,720
2028		65,000
Thereafter		425,000
Total long-term debt, including current maturities	$	705,720

Duke Energy Kentucky has the ability under certain debt facilities to call and repay the obligation prior to its scheduled maturity. Therefore, the actual timing of future cash repayments could be materially different than as presented above.

SHORT-TERM OBLIGATIONS CLASSIFIED AS LONG-TERM DEBT

Certain tax-exempt bonds that may be put to Duke Energy Kentucky at the option of the holder and money pool borrowings, which are short-term obligations by nature, are classified as long-term due to Duke Energy Kentucky's intent and ability to utilize such borrowings as long-term financing. As Duke Energy's Master Credit Facility and Duke Energy Kentucky's other bilateral letter of credit agreements have non-cancelable terms in excess of one year as of the balance sheet date, Duke Energy Kentucky has the ability to refinance these short-term obligations on a long-term basis. See "Available Credit Facilities" below for additional information.

At December 31, 2023, and 2022, $27 million of tax-exempt bonds and $25 million of money pool borrowings were classified as Long-Term Debt and Long-Term Debt Payable to Affiliated Companies, respectively, on the Balance Sheets.

AVAILABLE CREDIT FACILITIES

Master Credit Facility

In March 2023, Duke Energy amended its existing Master Credit Facility of $9 billion to extend the termination date to March 2028. Duke Energy Kentucky has borrowing capacity under the Master Credit Facility up to a specified sublimit. Duke Energy has the unilateral ability at any time to increase or decrease Duke Energy Kentucky's borrowing sublimit, subject to a maximum sublimit. The amount available to Duke Energy Kentucky under the Master Credit Facility may be reduced due to backstop issuances of commercial paper. At December 31, 2023, Duke Energy Kentucky had a borrowing sublimit of $225 million and available capacity of $107 million under Duke Energy's Master Credit Facility.

Duke Energy Kentucky and Duke Energy Indiana, LLC, a subsidiary of Duke Energy, collectively have a $156 million bilateral letter of credit agreement with a termination date of February 2026. Duke Energy Kentucky may request the issuance of letters of credit up to $27 million on its behalf to support various series of tax-exempt bonds. This credit facility may not be used for any purpose other than to support the tax-exempt bonds.

Term Loan Facility

In October 2021, Duke Energy Kentucky entered into a two-year term loan facility with commitments totaling $50 million. The term loan facility was fully drawn at the time of closing. In October 2023, Duke Energy Kentucky's $50 million two-year term loan facility was increased to $75 million and its maturity was extended to April 2024. The $25 million in incremental borrowings under the facility were fully drawn at the time of closing and used to pay down short-term debt and for general corporate purpose. In December 2023, Duke Energy Kentucky repaid the $75 million outstanding on the term loan and terminated the facility.

OTHER DEBT MATTERS

Money Pool

Duke Energy Kentucky receives support for its short-term borrowing needs through participation with Duke Energy and certain of its subsidiaries in a money pool arrangement. Under this arrangement, those companies with short-term funds may provide short-term loans to affiliates participating under this arrangement. The money pool is structured such that Duke Energy Kentucky separately manages its cash needs and working capital requirements. Accordingly, there is no net settlement of receivables and payables between money pool participants. Duke Energy may loan funds to its participating subsidiaries, but may not borrow funds through the money pool.

Money pool receivable balances are reflected within Notes receivable from affiliated companies on the Balance Sheets. Money pool payable balances are reflected within either Notes payable to affiliated companies or Long-Term Debt Payable to Affiliated Companies on the Balance Sheets.

Restrictive Debt Covenants

Duke Energy Kentucky's debt and credit agreements contain various financial and other covenants. Duke Energy's Master Credit Facility contains a covenant requiring the debt-to-total capitalization ratio not to exceed 65% for each borrower. Failure to meet those covenants beyond applicable grace periods could result in accelerated due dates and/or termination of the agreements. As of December 31, 2023, Duke Energy Kentucky was in compliance with all covenants related to its debt agreements. In addition, some credit agreements may allow for acceleration of payments or termination of the agreements due to nonpayment, or acceleration of other significant indebtedness of the borrower or some of its subsidiaries. None of the debt or credit agreements contain material adverse change clauses.

6. ASSET RETIREMENT OBLIGATIONS

Duke Energy Kentucky records an ARO when it has a legal obligation to incur retirement costs associated with the retirement of a long-lived asset and the obligation can be reasonably estimated. Certain assets have an indeterminate life, and thus the fair value of the retirement obligation is not reasonably estimable. A liability for these AROs will be recorded when a fair value is determinable.
Duke Energy Kentucky's regulated electric and regulated natural gas operations accrue costs of removal for property that does not have an associated legal retirement obligation based on regulatory orders from the KPSC. These costs of removal are
recorded as a regulatory liability in accordance with regulatory accounting treatment. See Note 2 for the estimated cost of removal for assets without an associated legal retirement obligation, which are included in Regulatory liabilities on the Balance Sheets as of December 31, 2023, and 2022.

Duke Energy Kentucky is subject to state and federal regulations covering the closure of coal ash impoundments, including the EPA Coal Combustion Residuals (CCR) Rule. AROs recorded on the Balance Sheets include the legal obligation for the disposal of CCR, which is based upon estimated closure costs for impacted ash impoundments. The amount recorded represents the discounted cash flows for estimated closure costs based upon specific closure plans. Actual costs to be incurred will be dependent upon factors that vary from site to site. The most significant factors are the method and time frame of closure at the individual sites.

Closure methods considered include removing the water from ash basins, consolidating material as necessary and capping the ash with a synthetic barrier, excavating and relocating the ash to a lined structural fill or lined landfill or recycling the ash for concrete or some other beneficial use. The ultimate method and timetable for closure will be in compliance with standards set by federal and state regulations and other agreements. The ARO amount will be adjusted as additional information is gained through the closure and post-closure process, including acceptance and approval of compliance approaches, which may change management assumptions, and may result in a material change to the balance. Asset retirement costs associated with coal ash AROs at the East Bend Station are included within Property, Plant and Equipment on the Balance Sheets.

In addition to the coal ash AROs, Duke Energy Kentucky also has legal obligations related to the retirement of gas mains and asbestos remediation.

The following table presents the changes in the liability associated with AROs.

	Years Ended December 31,	
(in thousands)	2023	2022
Balance at beginning of period	$ 107,621	$ 93,282
Accretion expense(a)	4,712	3,560
Liabilities settled(b)	(15,093)	(13,420)
Liabilities incurred in the current year	1,142	—
Revisions to estimates of cash flows(c)	(10,368)	24,379
Balance at end of period	$ 88,018	$ 107,621

(a) Accretion expense relates to Duke Energy Kentucky's regulated operations and has been deferred in accordance with regulatory accounting treatment for the years ended December 31, 2023, and 2022.

(b) Liabilities settled relate to ash basin and landfill closure costs at the East Bend Station.

(c) Revisions to estimates of cash flows represent the discounted cash flows for estimated closure costs. The amounts relate to changes in routine maintenance cost estimates for ash impoundments.

7. PROPERTY, PLANT AND EQUIPMENT

The following table summarizes property, plant and equipment.

	Average Remaining Useful Life	December 31,	
(in thousands)	(Years)	2023	2022
Land		$ 52,850	$ 51,303
Plant			
Electric generation, distribution and transmission	39	2,304,373	2,149,022
Natural gas transmission and distribution	55	875,187	797,822
Other buildings and improvements	26	22,736	14,767
Equipment	13	64,152	42,811
Construction in process		95,096	98,107
Other	14	82,685	77,810
Total property, plant and equipment		3,393,659	3,231,542
Accumulated depreciation and amortization		(1,138,125)	(1,069,120)
Net property, plant and equipment[(a)]		$ 2,255,534	$ 2,162,422

(a) The debt component of AFUDC totaled $4.1 million and $1.1 million at December 31, 2023, and 2022, respectively.

8. OTHER INCOME AND EXPENSES, NET

The components of Other Income and Expenses, net on the Statements of Operations are as follows.

	Years Ended December 31,	
(in thousands)	2023	2022
Income/(Expense):		
Interest income	$ 5,330	$ 2,872
AFUDC equity	1,057	1,246
Other	2,514	(265)
Other Income and Expenses, net	$ 8,901	$ 3,853

9. RELATED PARTY TRANSACTIONS

Duke Energy Kentucky engages in related party transactions, which are generally performed at cost and in accordance with KPSC and FERC regulations. Refer to the Balance Sheets for balances due to or from related parties. Material amounts related to transactions with related parties included in the Statements of Operations are presented in the following table.

	Years Ended December 31,	
(in thousands)	2023	2022
Corporate governance and shared service expenses[(a)]	$ 78,518	$ 85,315

(a) Duke Energy Kentucky is charged its proportionate share of costs, primarily related to human resources, employee benefits, information technology, legal and accounting fees, as well as other third-party costs, from a consolidated affiliate of Duke Energy. These amounts are recorded in Operation, maintenance and other within Operating Expenses on the Statements of Operations.

In addition to the amounts presented above, Duke Energy Kentucky has other affiliate transactions, including certain indemnification coverages through Duke Energy's wholly owned captive insurance subsidiary, rental of office space, participation in a money pool arrangement with Duke Energy and certain of its subsidiaries, other operational transactions and its proportionate share of certain charged expenses. See Note 6 for more information regarding the money pool.
Certain trade receivables have been sold by Duke Energy Kentucky to CRC, an unconsolidated entity formed by a subsidiary of Duke Energy. The proceeds obtained from the sales of receivables are largely cash but do include a subordinated note from CRC for a portion of the purchase price. See Note 12 for further information related to the sales of these receivables.

Intercompany Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and jurisdictional returns. Duke Energy Kentucky has a tax sharing agreement with Duke Energy for the allocation of consolidated tax liabilities and benefits. Income taxes recorded represent amounts Duke Energy Kentucky would incur as a separate C-Corporation. Duke Energy Kentucky had an intercompany tax receivable balance of $25 million and $13 million at December 31, 2023, and 2022, respectively. These amounts are included in Other current assets on the Balance Sheets.

10. DERIVATIVES AND HEDGING

COMMODITY PRICE RISK

Duke Energy Kentucky has limited exposure to market price changes of fuel and emission allowance costs incurred for its retail customers due to the use of cost tracking and recovery mechanisms. Duke Energy Kentucky does have exposure to the impact of market fluctuations in the prices of electricity, fuel and emission allowances associated with its generation output not utilized to serve retail operations or committed load (off-system, wholesale power sales). Duke Energy Kentucky's outstanding commodity derivatives, FTRs, had a notional volume of 1,518 gigawatt-hours and 1,820 gigawatt-hours at December 31, 2023, and 2022, respectively.

See Note 11 for additional information on the fair value of commodity derivatives.

INTEREST RATE RISK

Duke Energy Kentucky is exposed to changes in interest rates as a result of its issuance or anticipated issuance of variable-rate and fixed-rate debt. Interest rate risk is managed by limiting variable-rate exposure to a percentage of total debt and by monitoring changes in interest rates. To manage risk associated with changes in interest rates, Duke Energy Kentucky may enter into financial contracts including interest rate swaps and U.S. Treasury lock agreements. The notional amount of interest rate swaps outstanding was $28.7 million at December 31, 2023, and 2022. Financial contracts entered into by Duke Energy Kentucky are not designated as a hedge because they are accounted for under regulatory accounting. With regulatory accounting, the mark-to-market gains or losses are deferred as regulatory liabilities or assets, respectively. Regulatory assets and regulatory liabilities are amortized consistent with the treatment of related costs in the ratemaking process. The accrual of interest on swaps is recorded as Interest Expense on the Statements of Operations.

See Note 11 for additional information on the fair value of interest rate derivatives.

CREDIT RISK

Duke Energy Kentucky analyzes the financial condition of counterparties prior to entering into agreements and establishes credit limits and monitors the appropriateness of those limits on an ongoing basis. Credit limits and collateral requirements for retail electric customers are established by the KPSC.

Duke Energy Kentucky's industry has historically operated under negotiated credit lines for physical delivery contracts. Duke Energy Kentucky may use master collateral agreements to mitigate certain credit exposures. The collateral agreements require certain counterparties to post cash or letters of credit for the amount of exposure in excess of an established threshold. The threshold amount represents an unsecured credit limit determined in accordance with the corporate credit policy. Collateral agreements also provide that the inability to post collateral is sufficient cause to terminate contracts and liquidate all positions.

Duke Energy Kentucky also obtains cash or letters of credit from customers to provide credit support outside of collateral agreements, where appropriate, based on its financial analysis of the customer and the regulatory or contractual terms and conditions applicable to each transaction.

11. FAIR VALUE MEASUREMENTS

Fair value is the exchange price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value definition focuses on an exit price versus the acquisition cost. Fair value measurements use market data or assumptions market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs may be readily observable, corroborated by market data or generally unobservable. Valuation techniques maximize the use of observable inputs and minimize use of unobservable inputs. A midmarket pricing convention (the midpoint price between bid and ask prices) is permitted for use as a practical expedient. Fair value measurements are classified in three levels based on the fair value hierarchy as defined by GAAP.

Fair value accounting guidance permits entities to elect to measure certain financial instruments that are not required to be accounted for at fair value, such as equity method investments or the company's own debt, at fair value. Duke Energy Kentucky has not elected to record any of these items at fair value.

Commodity derivatives

If forward price curves are not observable for the full term of the contract and the unobservable period had more than an insignificant impact on the valuation, the commodity derivative is classified as Level 3. The valuation technique and unobservable input for an FTR is regional transmission organization auction pricing and FTR price – per megawatt-hour, respectively.

Interest rate derivatives

All over-the-counter interest rate contract derivatives are valued using financial models that utilize observable inputs for similar instruments and are classified as Level 2. Inputs include forward interest rate curves, notional amounts, interest rates and credit quality of the counterparties.

QUANTITATIVE DISCLOSURES

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Balance Sheets. Derivative amounts in the table below exclude cash collateral.

	December 31, 2023		
(in thousands)	Total Fair Value	Level 2	Level 3
Derivative assets[(a)]	$ 1,510	$ —	$ 1,510
Derivative liabilities[(b)]	(1,749)	(1,749)	—
Net assets (liabilities)	$ (239)	$ (1,749)	$ 1,510

	December 31, 2022		
(in thousands)	Total Fair Value	Level 2	Level 3
Derivative assets[(a)]	$ 4,590	$ —	$ 4,590
Derivative liabilities[(b)]	(1,956)	(1,956)	—
Net (liabilities) assets	$ 2,634	$ (1,956)	$ 4,590

(a) Included in Other within Current Assets and Other within Other Noncurrent Assets on the Balance Sheets. The amounts classified as Level 3 relate to FTRs.
(b) Included in Other within Current Liabilities and Other within Other Noncurrent Liabilities on the Balance Sheets. The amounts classified as Level 2 relate to interest rate swaps.

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3).

	Derivatives (net)	
	Years Ended December 31,	
(in thousands)	2023	2022
Balance at beginning of period	$ 4,590	$ 1,636
Purchases, sales, issuances and settlements:		
Purchases	4,842	3,690
Settlements	(3,780)	(3,800)
Total gains included on the Balance Sheets as regulatory assets or liabilities	(4,142)	3,064
Balance at end of period	$ 1,510	$ 4,590

OTHER FAIR VALUE DISCLOSURES

The fair value of long-term debt, including current maturities, is summarized in the following table. Judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates determined are not necessarily indicative of the amounts Duke Energy Kentucky could have settled in current markets. The fair value of long-term debt is determined using Level 2 measurements.

	December 31, 2023		December 31, 2022	
(in thousands)	Book value	Fair value	Book value	Fair value
Long-Term debt, including current maturities	$ 704,562	$ 635,310	$ 779,157	$ 694,225

At December 31, 2023, and 2022, the fair value of cash and cash equivalents, accounts and notes receivable, and accounts and notes payable are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated rates approximate market rates.

12. VARIABLE INTEREST ENTITIES

A variable interest entity (VIE) is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis to determine whether an entity is a VIE considers contracts with an entity, credit support for an entity, the adequacy of the equity investment of an entity and the relationship of voting power to the amount of equity invested in an entity. This analysis is performed either upon the creation of a legal entity or upon the occurrence of an event requiring reevaluation, such as a significant change in an entity's assets or activities. A qualitative analysis of control determines the party that consolidates a VIE. This assessment is based on (i) what party has the power to direct the activities of the VIE that most significantly impact its economic performance and (ii) what party has rights to receive benefits or is obligated to absorb losses that could potentially be significant to the VIE. The analysis of the party that consolidates a VIE is a continual reassessment.

Cinergy Receivables Company

CRC is a bankruptcy remote, special purpose entity that is an affiliate of Duke Energy Kentucky. As discussed below, Duke Energy Kentucky does not consolidate CRC as it is not the primary beneficiary. On a revolving basis, CRC buys certain accounts receivable arising from the sale of electricity, natural gas and related services from Duke Energy Kentucky. CRC borrows amounts under a credit facility to buy the receivables from Duke Energy Kentucky. Borrowing availability from the credit facility is limited to the amount of qualified receivables sold to CRC which generally exclude receivables past due more than a predetermined number of days and reserves for expected past due balances. The sole source of funds to satisfy the related debt obligation is cash collections from the receivables. Amounts borrowed under the credit facility are reflected on the Balance Sheets as Long-Term Debt.

The proceeds Duke Energy Kentucky receives from the sale of receivables to CRC are approximately 75% cash and 25% in the form of a subordinated note from CRC. The subordinated note is a retained interest in the receivables sold. Duke Energy Kentucky had receivables of $33.8 million and $53.3 million from CRC at December 31, 2023, and 2022, respectively. These balances are included in Receivables from affiliated companies on the Balance Sheets and reflect Duke Energy Kentucky's retained interest in receivables sold to CRC.
CRC is considered a VIE because (i) equity capitalization is insufficient to support its operations, (ii) power to direct the activities that most significantly impact the economic performance of the entity is not held by the equity holder and (iii) deficiencies in net worth of CRC are funded by Duke Energy. The most significant activities that impact the economic performance of CRC are decisions made to manage delinquent receivables. Duke Energy is considered the primary beneficiary and consolidates CRC as it makes these decisions. Duke Energy Kentucky does not consolidate CRC.

The subordinated note held by Duke Energy Kentucky is stated at fair value. Carrying values of retained interests are determined by allocating carrying value of the receivables between assets sold and interests retained based on relative fair value. The allocated basis of the subordinated note is not materially different than the face value because (i) the receivables generally turnover in less than two months, (ii) credit losses are reasonably predictable due to the broad customer base and lack of significant concentration and (iii) the equity in CRC is subordinate to all retained interests and thus would absorb losses first. The hypothetical effect on fair value of the retained interests assuming both a 10% and a 20% unfavorable variation in credit losses or discount rates is not material due to the short turnover of receivables and historically low credit loss history. Interest accrues to Duke Energy Kentucky on the retained interests using the acceptable yield method. This method generally approximates the stated rate on the note since the allocated basis and the face value are nearly equivalent. An impairment charge is recorded against the carrying value of both retained interests and purchased beneficial interest whenever it is determined that an other-than-temporary impairment has occurred. Duke Energy Kentucky's maximum exposure to loss does not exceed the carrying value.

Key assumptions used in estimating fair value are detailed in the following table.

	2023	2022
Anticipated credit loss ratio	0.5 %	0.4 %
Discount rate	8.1 %	5.7 %
Receivables turnover rate	11.7 %	11.4 %

The following table presents gross and net receivables sold.

	December 31,	
(in thousands)	2023	2022
Receivables sold	$ 81,182	$ 102,233
Less: Retained interests	33,757	53,344
Net receivables sold	$ 47,425	$ 48,889

The following table shows sales and cash flows related to receivables sold.

	Years Ended December 31,	
(in thousands)	2023	2022
Sales		
Receivables sold	$ 613,410	$ 571,672
Loss recognized on sale	5,445	4,843
Cash flows		
Cash proceeds from receivables sold	$ 625,122	$ 637,042
Collection fees received	307	338
Return received on retained interests	4,674	2,635

Cash flows from sales of receivables are reflected within Cash Flows from Operating Activities and Cash Flows from Investing Activities on the Statements of Cash Flows.

Collection fees received in connection with the servicing of transferred accounts receivable are included in Operation, maintenance and other on the Statements of Operations. The loss recognized on sales of receivables is calculated monthly by multiplying receivables sold during the month by the required discount. The required discount is derived monthly utilizing a three-year weighted average formula that considers charge-off history, late charge history and turnover history on the sold receivables, as well as a component for the time value of money. The discount rate, or component for the time value of money, is the prior month-end Daily Simple Secured Overnight Financing Rate (SOFR) plus a fixed rate of 1.00%.

13. REVENUE

Duke Energy Kentucky recognizes revenue consistent with amounts billed under tariff offerings or at contractually agreed upon rates based on actual physical delivery of electric or natural gas service, including estimated volumes delivered when billings have not yet occurred. As such, the majority of Duke Energy Kentucky's revenues have fixed pricing based on the contractual terms of the published tariffs, with variability in expected cash flows attributable to the customer's volumetric demand and ultimate quantities of energy or natural gas supplied and used during the billing period. The stand-alone selling price of related sales are designed to support recovery of prudently incurred costs and an appropriate return on invested assets and are primarily governed by published tariff rates or contractual agreements approved by relevant regulatory bodies. Certain excise taxes and franchise fees levied by state or local governments are required to be paid even if not collected from the customer. These taxes are recognized on a gross basis as part of revenues. Duke Energy Kentucky elects to account for all other taxes net of revenues.

Performance obligations are satisfied over time as energy or natural gas is delivered and consumed with billings generally occurring monthly and related payments due within 30 days, depending on regulatory requirements. In no event does the timing between payment and delivery of the goods and services exceed one year. Using this output method for revenue recognition provides a faithful depiction of the transfer of electric and natural gas service as customers obtain control of the commodity and benefit from its use at delivery. Additionally, Duke Energy Kentucky has an enforceable right to consideration for energy or natural gas delivered at any discrete point in time and will recognize revenue at an amount that reflects the consideration to which Duke Energy Kentucky is entitled for the energy or natural gas delivered.

As described above, the majority of Duke Energy Kentucky's tariff revenues are at will and, as such, related contracts with customers have an expected duration of one year or less and will not have future performance obligations for disclosure.

Duke Energy Kentucky earns substantially all of its revenues through the sale of electricity and natural gas.

Electricity Sales

Electric sales revenues are earned primarily through retail and wholesale electric service through the generation, transmission, distribution and sale of electricity. Duke Energy Kentucky generally provides retail electric service customers with their full electric load requirements and sells wholesale block sales of electricity into the market.

Retail electric service is generally marketed throughout Duke Energy Kentucky's electric service territory through standard service offers. The standard service offers are through tariffs determined by the KPSC. Each tariff, which is assigned to customers based on customer class, has multiple components such as an energy charge, customer charge, demand charge and applicable riders. Duke Energy Kentucky considers each of these components to be aggregated into a single performance obligation for providing electric service. Electricity is considered a single performance obligation satisfied over time consistent with the series guidance and is provided and consumed over the billing period, generally one month. Retail electric service is typically provided to at-will customers who can cancel service at any time, without a substantive penalty. Additionally, Duke Energy Kentucky adheres to applicable regulatory requirements to ensure the collectability of amounts billed and appropriate mitigating procedures are followed when necessary. As such, revenue from contracts with customers is equivalent to the electricity supplied and billed in that period (including unbilled estimates).

Wholesale electric service is provided through block sales of electricity. Revenues for block sales are recognized monthly as energy is delivered and stand-ready service is provided, consistent with invoiced amounts and unbilled estimates.

Natural Gas Sales

Natural gas sales revenues are earned through retail natural gas service through the transportation, distribution and sale of natural gas. Duke Energy Kentucky generally provides natural gas service customers with all natural gas load requirements. Additionally, while natural gas can be stored, substantially all natural gas provided by Duke Energy Kentucky is consumed by customers simultaneously with receipt of delivery.

Retail natural gas service is marketed throughout Duke Energy Kentucky's natural gas service territory using published tariff rates. The tariff rates are established by the KPSC. Each tariff, which is assigned to customers based on customer class, has multiple components, such as a commodity charge, customer or monthly charge and transportation costs. Duke Energy Kentucky considers each of these components to be aggregated into a single performance obligation for providing natural gas service. For contracts where Duke Energy Kentucky provides all of the customer's natural gas needs, the delivery of natural gas is considered a single performance obligation satisfied over time, and revenue is recognized monthly based on billings and unbilled estimates as service is provided and the commodity is consumed over the billing period. Additionally, natural gas service is typically at-will and customers can cancel service at any time, without a substantive penalty. Duke Energy Kentucky also adheres to applicable regulatory requirements to ensure the collectability of amounts billed and receivable and appropriate mitigating procedures are followed when necessary.

Disaggregated Revenues

For electric and natural gas sales, revenue by customer class is most meaningful to Duke Energy Kentucky as each respective customer class collectively represents unique customer expectations of service, generally has different energy and demand requirements and operates under tailored, regulatory approved pricing structures. Additionally, each customer class is impacted differently by weather and a variety of economic factors including the level of population growth, economic investment, employment levels and regulatory activities. As such, analyzing revenues disaggregated by customer class allows Duke Energy Kentucky to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Disaggregated revenues are presented as follows:

(in thousands)	Years Ended December 31,	
By market or type of customer	2023	2022
Electricity Sales		
Residential	$ 171,241	$ 200,151
General	176,078	185,987
Industrial	65,844	72,846
Wholesale[a]	16,968	51,207
Other revenues	23,993	(402)
Total Electricity Sales revenue from contracts with customers	$ 454,126	$ 509,889
Natural Gas Sales		
Residential	$ 84,173	$ 100,190
Commercial	38,129	46,646
Industrial	6,265	6,610
Other revenues	2,579	3,109
Total Natural Gas Sales revenue from contracts with customers	$ 131,146	$ 156,555
Total revenue from contracts with customers	$ 585,272	$ 666,444
Other revenue sources[b]	408	1,685
Total revenues	$ 585,680	$ 668,129

(a) Duke Energy Kentucky nets wholesale electric sales and purchases on an hourly basis. As such, the net position may result in fluctuations between positive and negative net revenues at the end of a reporting period.

(b) Other revenue sources include revenues from derivatives, leases and alternative revenue programs that are not considered revenues from contracts with customers.

The following table presents the reserve for credit losses for trade and other receivables.

(in thousands)	
Balance at December 31, 2021	$ 315
Write-offs	(6)
Credit Loss Expense	222
Balance at December 31, 2022	$ 531
Credit Loss Expense	215
Balance at December 31, 2023	$ 746

Trade and other receivables are evaluated based on an estimate of the risk of loss over the life of the receivable and current and historical conditions using supportable assumptions. Management evaluates the risk of loss for trade and other receivables by comparing the historical write-off amounts to total revenue over a specified period. Historical loss rates are adjusted due to the impact of current conditions, as well as forecasted conditions over a reasonable time period. The calculated write-off rate can be applied to the receivable balance for which an established reserve does not already exist. Management reviews the assumptions and risk of loss periodically for trade and other receivables.

The aging of trade receivables is presented in the table below.

(in thousands)	December 31, 2023	2022
Unbilled Receivables[(a)(b)]	$ 1,995	$ 13,722
Current	10,651	3,818
0-30 days past due	1,552	700
31-60 days past due	336	181
61-90 days past due	132	729
91+ days past due	4,505	3,480
Trade and Other Receivables	$ 19,169	$ 22,338

(a) Unbilled revenues are recognized by applying customer billing rates to the estimated volumes of energy or natural gas delivered but not yet billed and are included in Receivables on the Duke Energy Kentucky Balance Sheets. Unbilled receivables relate to transactions with PJM Interconnection, LLC.
(b) Duke Energy Kentucky sells, on a revolving basis, nearly all of its retail accounts receivable, including receivables for unbilled revenues, to CRC. As discussed further in Note 12, Duke Energy Kentucky accounts for these transfers of receivables as sales. Accordingly, the receivables sold are not reflected on the Balance Sheets. Receivables for unbilled revenues included in the sales of accounts receivable to CRC were $39 million and $44 million at December 31, 2023, and 2022, respectively.

14. SEVERANCE

Duke Energy Kentucky participates in severance plans for the general employee population under which, in general, the longer a terminated employee worked prior to termination the greater the amount of severance benefits provided. Duke Energy Kentucky also offers special termination benefits under voluntary severance programs.

Duke Energy Kentucky's direct and allocated severance and related charges accrued within Operation, maintenance and other on the Statements of Operations was $1,197 thousand and $220 thousand for the years ended December 31, 2023 and 2022, respectively.

Duke Energy Kentucky's severance liability balance recorded in Other within Current Liabilities on the Balance Sheets was $684 thousand for the year ended December 31, 2023. Duke Energy Kentucky did not have a severance liability balance recorded on the Balance Sheets for the year ended December 31, 2022.

15. EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT RETIREMENT PLANS

Duke Energy Kentucky participates in qualified, non-contributory defined benefit retirement plans, which consist of the Duke Energy Retirement Cash Balance Plan (RCBP) and the Duke Energy Legacy Pension Plan (DELPP). Duke Energy Kentucky participants also participate in non-qualified defined benefit retirement plans and other post-retirement benefit plans sponsored by Duke Energy. Duke Energy allocates pension and other post-retirement obligations and costs related to these plans to Duke Energy Kentucky. The plans cover most employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits based upon a percentage of current eligible earnings based on age and/or years of service and interest credits. Certain employees are covered under plans that use a final average earnings formula. Under these average earnings formulas, a plan participant accumulates a retirement benefit equal to the sum of percentages of their (i) highest three-year or four-year average earnings, (ii) highest three-year or four-year average earnings in excess of covered compensation per year of participation (maximum of 35 years) and/or (iii) highest three-year average earnings times years of participation in excess of 35 years. Duke Energy also maintains, and Duke Energy Kentucky
participates in, non-qualified, non-contributory defined benefit retirement plans which cover certain executives. The qualified and non-qualified non-contributory defined benefit plans are closed to new participants.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations. Actuarial gains experienced by the defined benefit retirement plans in remeasuring plan assets on December 31, 2023, were primarily attributable to actual investment performance that exceeded expected investment performance. Actuarial losses experienced
by the defined benefit retirement plans in remeasuring plan obligations as of December 31, 2023 were primarily attributable to the decrease in the discount rate used to measure plan obligations.

As a result of the application of settlement accounting due to total lump-sum benefit payments exceeding the settlement threshold (defined as the sum of service cost and interest cost on projected benefit obligation components of net periodic benefit costs) for one of its qualified pension plans, Duke Energy Kentucky recognized settlement charges of $1,973 thousand which were recorded to Other Income and Expenses, net, within the Statements of Operations as of December 31, 2022. Settlement charges include amounts allocated by Duke Energy for employees of Duke Energy Kentucky and allocated charges for their proportionate share of settlement charges for employees of Duke Energy's shared services affiliate.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefit payments to be paid to plan participants. Actual contributions for Duke Energy Kentucky were $1,509 thousand and $853 thousand for the years ended December 31, 2023, and 2022, respectively.

Net periodic benefit costs disclosed in the tables below represent the cost of the respective plan for the periods presented prior to capitalization of amounts reflected as Net property, plant and equipment, on the Balance Sheets. Only the service cost component of net periodic benefit costs is eligible to be capitalized. The remaining non-capitalized portions of net periodic benefit costs are classified as either: (i) service cost, which is recorded in Operations, maintenance and other on the Statements of Operations; or as (ii) components of non-service cost, which is recorded in Other income and expenses, net, on the Statements of Operations. Amounts presented in the tables below represent the amounts of pension and other post-retirement benefit cost allocated by Duke Energy for employees of Duke Energy Kentucky. Additionally, Duke Energy Kentucky is allocated its proportionate share of pension and other post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provides support to Duke Energy Kentucky. These allocated amounts are included in the governance and shared services costs discussed in Note 9.

QUALIFIED PENSION PLANS

Components of Net Periodic Pension Costs

(in thousands)	Years Ended December 31, 2023	2022
Service cost	$ 623	$ 963
Interest cost on projected benefit obligation	4,088	3,080
Expected return on plan assets	(5,112)	(4,850)
Amortization of prior service credit	(89)	(85)
Amortization of actuarial loss	231	1,333
Settlement charge	—	1,973
Net periodic pension costs	$ (259)	$ 2,413

Amounts Recognized in Regulatory Assets

(in thousands)	December 31, 2023	2022
Regulatory assets, net decrease	$ (338)	$ (7,331)

Reconciliation of Funded Status to Net Amount Recognized

n thousands)		Years Ended December 31, 2023		2022
hange in Projected Benefit Obligation				
bligation at prior measurement date	$	75,508	$	104,450
ervice cost		553		876
terest cost		4,088		3,089
ctuarial (gains) losses		494		(20,783)
enefits paid		(6,482)		(13,325)
ansfers [a]		(269)		1,201
bligation at measurement date	$	73,892	$	75,508
ccumulated Benefit Obligation at measurement date	$	72,775	$	74,442
hange in Fair Value of Plan Assets				
an assets at prior measurement date	$	67,753	$	93,654
ctual return on plan assets		5,818		(14,630)
enefits paid		(6,482)		(13,325)
mployer contributions		1,509		853
ansfers [a]		(269)		1,201
an assets at measurement date	$	68,329	$	67,753
unded status of plan	$	(5,563)	$	(7,755)

) Transfers represents net amounts associated with plan participants that have moved to/from other Duke Energy subsidiaries.

mounts Recognized in the Balance Sheets

thousands)		December 31, 2023		2022
efunded pension[a]	$	18,345	$	16,155
oncurrent pension liability[b]		23,908		23,910
et liability recognized	$	(5,563)	$	(7,755)
egulatory assets	$	22,321	$	22,660

) Included in Other within Investments and Other Assets on the Balance Sheets.
) Included in Accrued pension and other post-retirement benefit costs on the Balance Sheets.

formation for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

thousands)		December 31, 2023		2022
ojected benefit obligation	$	28,358	$	28,794
ccumulated benefit obligation		27,240		27,728
ir value of plan assets		4,450		4,884

sumptions Used for Pension Benefits Accounting

	December 31, 2023		2022
enefit Obligations			
scount rate	5.40 %		5.60 %
erest crediting rate	4.15 %		4.35 %
lary increase	3.50 %		3.50 %
et Periodic Benefit Cost			
scount rate	5.60 %	2.9% -	5.70 %
erest crediting rate	4.35 %		4.00 %
lary increase	3.50 %		3.50 %
pected long-term rate of return on plan assets	6.50% - 8.25%		6.50 %

e discount rate used to determine the current year pension obligation and following year's pension expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected nefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market lue of the bonds selected.

ON-QUALIFIED PENSION PLANS

e accumulated benefit obligation, which equals the projected benefit obligation for non-qualified pension plans, was zero for Duke Energy Kentucky as of December 31, 2023. Employer contributions, which equal benefits paid for non-qualified pension plans, were zero for the year ended December 31, 2023. Net periodic nsion costs for non-qualified pension plans were not material for the years ended December 31, 2022, or 2021.

HER POST-RETIREMENT BENEFIT PLANS

ke Energy provides, and Duke Energy Kentucky participates in, some health care and life insurance benefits for retired employees on a contributory and non-contributory basis. Employees are eligible for these benefits if they have met age and service requirements at retirement, as defined in the plans. The health care nefits include medical, dental and prescription drug coverage and are subject to certain limitations, such as deductibles and co-payments.
ke Energy did not make any pre-funding contributions to its other post-retirement benefit plans during the years ended December 31, 2023, and 2022.

mponents of Net Periodic Other Post-Retirement Benefit Costs

(in thousands)		Years Ended December 31, 2023		2022
Service cost	$	35	$	51
Interest cost on accumulated post-retirement benefit obligation		199		112
Expected return on plan assets		(65)		(62)
Amortization of actuarial loss		(358)		189
Amortization of prior service credit		(32)		(66)
Net periodic post-retirement pension costs	$	(221)	$	223

Amounts Recognized in Regulatory Assets and Regulatory Liabilities

(in thousands)		December 31, 2023		2022
Regulatory assets, net decrease	$	181	$	(1,447)
Regulatory liabilities, net increase		(590)		(333)

Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

(in thousands)		Years Ended December 31, 2023		2022
Change in Projected Benefit Obligation				
Accumulated post-retirement benefit obligation at prior measurement date	$	3,912	$	4,194
Service cost		35		51
Interest cost		199		112
Plan participants' contributions		120		179
Actuarial gains		232		(8)
Benefits paid		(582)		(616)
Accumulated post-retirement benefit obligation at measurement date	$	3,916	$	3,912
Change in Fair Value of Plan Assets				
Plan assets at prior measurement date	$	1,243	$	1,576
401(h) asset transfers		(177)		—
Actual return on plan assets		68		(234)
Benefits paid		(582)		(616)
Employer contributions		466		338
Plan participants' contributions		120		179
Plan assets at measurement date	$	1,138	$	1,243
Funded status of plan	$	(2,778)	$	(2,669)

Amounts Recognized in the Balance Sheets

(in thousands)		December 31, 2023		2022
Current post-retirement liability[a]	$	147	$	166
Noncurrent post-retirement liability[b]		2,631		2,503
Total accrued post-retirement liability	$	2,778	$	2,669
Regulatory assets	$	181	$	—
Regulatory liabilities	$	5,246	$	5,936

(a) Included in Other within Current Liabilities on the Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Balance Sheets.

Assumptions Used for Other Post-Retirement Benefits Accounting

	December 31, 2023	2022
Benefit Obligations		
Discount rate	5.40 %	5.60 %
Net Periodic Benefit Cost		
Discount rate	5.60 %	2.80 %
Expected long-term rate of return on plan assets	6.5% - 8.25%	6.80 %

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

Assumed Health Care Cost Trend Rate

	December 31, 2023	2022
Health care cost trend rate assumed for next year - pre-65 trend	6.60 %	6.50 %
Health care cost trend rate assumed for next year - post-65 trend	— %	6.50 %
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.75 %	4.75 %
Year that the rate reaches the ultimate trend rate	2031-2032	2030-2032

Expected Benefit Payments

The following table presents Duke Energy's expected benefit payments to participants on behalf of Duke Energy Kentucky in its qualified and other post-retirement benefit plans over the next 10 years. These benefit payments reflect expected future service, as appropriate.

(in thousands)		Qualified Plans		Other Post-Retirement Plans		Total
Years ending December 31,						
2024	$	6,295	$	637	$	7,182
2025		6,076		718		6,794
2026		6,139		604		6,742
2027		6,115		503		6,618
2028		6,249		421		6,670
2029-2033		29,571		1,065		30,636

MASTER RETIREMENT TRUST

The assets for the Duke Energy Kentucky plans discussed above are derived from the Master Retirement Trust (Master Trust) that is held by Duke Energy and, as such, Duke Energy Kentucky is allocated its proportionate share of assets discussed below. Assets for both the qualified pension and other post-retirement benefits are maintained in the Master Trust. Duke Energy also invests other post-retirement assets in Voluntary Employees' Beneficiary Association trusts. The investment objective is to achieve sufficient returns, subject to a prudent level of portfolio risk, for the purpose of promoting the security of plan benefits for participants. As of December 31, 2023, Duke Energy assumes pension and other post-retirement plan assets will generate a long-term rate of return of 6.50% for the RCBP account assets and 7.00% for the DELPP account assets. The expected long-term rate of return was developed using a weighted average calculation of expected returns based primarily on future expected returns across asset classes considering the use of active asset managers, where applicable. The asset allocation targets were set after considering the investment objective and the risk profile. Equity securities are held for their high expected return. Debt securities are primarily held to hedge the qualified pension plan liability. Return seeking debt securities, hedge funds and other global securities are held for diversification. Investments within asset classes are diversified to achieve broad market participation and reduce the impact of individual managers or investments.

Effective January 1, 2024, the target asset allocation for the RCBP account assets is 35% liability hedging and 65% return-seeking assets and the target asset allocation for the DELPP account assets is 80% liability hedging assets and 20% return-seeking assets. Duke Energy periodically reviews its asset allocation targets, and over time, as the funded status of the benefit plans increase, the level of asset risk relative to plan liabilities may be reduced to better manage Duke Energy's benefit plan liabilities and reduce funded status volatility.
The following table includes the target asset allocations by asset class at December 31, 2023, and the actual asset allocations for the RCBP assets.

Asset Category	Target Allocation	Actual Allocation at December 31, 2023	2022
Global equity securities	45 %	45 %	43 %
Global private equity securities	2 %	2 %	2 %
Debt securities	35 %	35 %	30 %
Return seeking debt securities	7 %	6 %	7 %
Hedge funds	4 %	4 %	6 %
Real estate and cash	7 %	8 %	6 %
Total	100 %	100 %	100 %

The following table includes the target asset allocations by asset class at December 31, 2023, and the actual asset allocations for the DELPP assets.

Asset Category	Target Allocation	Actual Allocation at December 31, 2023	2022
Global equity securities	14 %	14 %	14 %
Global private equity securities	1 %	— %	— %
Debt securities	80 %	79 %	80 %
Return seeking debt securities	2 %	2 %	2 %
Hedge funds	1 %	2 %	2 %
Real estate and cash	2 %	3 %	2 %
Total	100 %	100 %	100 %

EMPLOYEE SAVINGS PLAN

Duke Energy Kentucky also participates in employee savings plans sponsored by Duke Energy. Most employees participate in a matching contribution formula where Duke Energy provides a matching contribution generally equal to 100% of employee before-tax and Roth 401(k) contributions and, as applicable, after-tax contributions of up to 6% of eligible pay per period.
For new and rehired non-union and certain unionized employees who are not eligible to participate in Duke Energy's defined benefit plans, an additional employer contribution of 4% of eligible pay per pay period, which is subject to a three-year vesting schedule, is provided to the employee's savings plan account.

Duke Energy Kentucky's expense related to its proportionate share of pretax employer contributions and the additional 4% employer contribution was $1,264 thousand and $1,385 thousand for the years ended December 31, 2023, and 2022, respectively.
16. INCOME TAXES

INCOME TAX EXPENSE

Components of Income Tax Expense

	Years Ended December 31,			
(in thousands)		2023		2022
Current income taxes				
Federal	$	(8,466)	$	9,494
State		(4,289)		1,390
Total current income taxes		(12,755)		10,884
Deferred income taxes				
Federal		20,459		(396)
State		7,766		1,713
Total deferred income taxes(a)		28,225		1,317
Investment tax credit amortization		(144)		(195)
Total income tax expense included in Statements of Operations	$	15,326	$	12,006

(a) Total deferred income taxes includes the generation of NOL carryforwards and tax credit carryforwards of $8.5 million at Duke Energy Kentucky in 2023.

Statutory Rate Reconciliation

The following table presents a reconciliation of income tax expense at the U.S. federal statutory tax rate to actual tax expense.

	Years Ended December 31,			
(in thousands)		2023		2022
Income tax expense, computed at the statutory rate of 21%	$	16,902	$	14,617
State income tax, net of federal income tax effect		3,747		2,452
Amortization of excess deferred income tax		(4,853)		(4,687)
Tax Credits		(450)		(403)
Other items, net		(20)		27
Total income tax expense	$	15,326	$	12,006
Effective tax rate		19.0 %		17.0 %

DEFERRED TAXES

Net Deferred Income Tax Liability Components

	Years Ended December 31,			
(in thousands)		2023		2022
Deferred credits and other liabilities	$	755	$	1,991
Lease obligations		1,858		2,088
Tax credits and NOL carryforwards		11,763		5,310
Pension, post-retirement and other employee benefits		2,122		117
Regulatory liabilities and deferred credits		—		10,105
Other		2,207		1,008
Total deferred income tax assets		18,805		23,619
Accelerated depreciation rates		(325,644)		(300,336)
Regulatory assets and deferred credits		(2,066)		—
Total deferred income tax liabilities		(327,710)		(300,336)
Net deferred income tax liabilities	$	(308,905)	$	(276,717)

The following table presents the expiration of tax credits and NOL carryforwards.

	December 31, 2023				
(in thousands)		Amount	Expiration Year		
General business credits	$	7,456	2024	—	2043
Corporate AMT Credits		4,230		Indefinite	
Federal NOL carryforward		42		Indefinite	
State NOL carryforward		35		2037	
Total tax credits and NOL carryforwards	$	11,763			

UNRECOGNIZED TAX BENEFITS

The following table presents changes to unrecognized tax benefits.

	Years Ended December 31,			
(in thousands)		2023		2022
Unrecognized tax benefits – January 1	$	501	$	474
Unrecognized tax benefit increases		53		27
Unrecognized tax benefits – December 31	$	554	$	501

The following table includes additional information regarding the unrecognized tax benefits at December 31, 2023. Duke Energy Kentucky does not expect a decrease in unrecognized tax benefits within the next 12 months.

(in thousands)		December 31, 2023
Amount that if recognized, would affect the effective tax rate or regulatory liability(a)	$	554

(a) Duke Energy Kentucky is unable to estimate the specific amounts that would affect the effective tax rate versus the regulatory liability.

OTHER TAX MATTERS

Duke Energy Kentucky recognized no interest income, interest expense or penalties related to income taxes on the Statements of Operations in 2023, or 2022. As of December 31, 2023, and 2022, no amounts were recognized on the Balance Sheets for interest or penalties related to income taxes.

Duke Energy Kentucky is no longer subject to federal, state and local income tax examinations by tax authorities for years before 2018, aside from certain tax attributes carried forward for utilization in future years.

17. SUBSEQUENT EVENTS
Subsequent events were evaluated through March 12, 2024. For information on subsequent events related to employee benefit plans, see Note 2.
S

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion

Line No.	Item (a)	Total Company For the Current Quarter/Year (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)
1	UTILITY PLANT					
2	In Service					
3	Plant in Service (Classified)	2,930,717,440	2,068,717,625	817,976,397		44,023,418
4	Property Under Capital Leases	7,430,114	7,430,114			
5	Plant Purchased or Sold					
6	Completed Construction not Classified	364,699,106	242,307,572	112,121,705		10,269,829
7	Experimental Plant Unclassified					
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,302,846,660	2,318,455,311	930,098,102		54,293,247
9	Leased to Others					
10	Held for Future Use	265,679		265,679		
11	Construction Work in Progress	96,665,887	56,278,990	40,126,069		260,828
12	Acquisition Adjustments					
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,399,778,226	2,374,734,301	970,489,850		54,554,075
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,125,191,209	880,994,770	217,489,446		26,706,993
15	Net Utility Plant (Total of lines 13 and 14)	2,274,587,017	1,493,739,531	753,000,404		27,847,082
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
17	In Service:					
18	Depreciation	1,060,602,556	858,178,407	198,176,719		4,247,430
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights					
20	Amortization of Underground Storage Land and Land Rights					
21	Amortization of Other Utility Plant	64,588,653	22,816,363	19,312,727		22,459,563
22	TOTAL In Service (Total of lines 18 thru 21)	1,125,191,209	880,994,770	217,489,446		26,706,993
23	Leased to Others					
24	Depreciation					
25	Amortization and Depletion					
26	TOTAL Leased to Others (Total of lines 24 and 25)					
27	Held for Future Use					
28	Depreciation					
29	Amortization					
30	TOTAL Held for Future Use (Total of lines 28 and 29)					
31	Abandonment of Leases (Natural Gas)					

Line No.	Item (a)	Total Company For the Current Quarter/Year (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)
32	Amortization of Plant Acquisition Adjustment					
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,125,191,209	880,994,770	217,489,446		26,706,993
	Page 200					

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: UtilityPlantInServicePropertyUnderCapitalLeases

Property Under Capital Leases includes Net Operating Leases of $7,430,114.

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Gas Plant In Service (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Include in a footnote, the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.
6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	INTANGIBLE PLANT						
2	301 Organization						
3	302 Franchise and Consents						
4	303 MiscellaneousIntangiblePlant	22,656,065	1,749,809				24,405,874
5	Total Intangible Plant (Total of lines 2 thru 4)	22,656,065	1,749,809				24,405,874
6	PRODUCTION PLANT						
7	Natural Gas Production and Gathering Plant						
8	325.1 Producing Lands						
9	325.2 Producing Leaseholds						
10	325.3 Gas Rights						
11	325.4 Rights-of-Way						
12	325.5 Other Land and Land Rights						
13	326 Gas Well Structures						
14	327 Field Compressor Station Structures						
15	328 Field Measuring and Regulating Station Structures						
16	329 Other Structures						
17	330 Producing Gas Wells-Well Construction						
18	331 Producing Gas Wells-Well Equipment						
19	332 Field Lines						
20	333 Field Compressor Station Equipment						
21	334 Field Measuring and Regulating Station Equipment						

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
22	335 Drilling and Cleaning Equipment						
23	336 Purification Equipment						
24	337 Other Equipment						
25	338 Unsuccessful Exploration and Development Costs						
26	339 Asset Retirement Costs for Natural Gas Production and Gathering Plant						
27	Total Production and Gathering Plant (Total of lines 8 thru 26)						
28	PRODUCTS EXTRACTION PLANT						
29	340 Land and Land Rights						
30	341 Structures and Improvements						
31	342 Extraction and Refining Equipment						
32	343 Pipe Lines						
33	344 Extracted Products Storage Equipment						
34	345 Compressor Equipment						
35	346 Gas Measuring and Regulating Equipment						
36	347 Other equipment						
37	348 Asset Retirement Costs for Products Extraction Plant						
38	Total Products Extraction Plant (Total of lines 29 thru 37)						
39	Total Natural Gas Production Plant (Total of lines 27 and 38)						
40	Manufactured Gas Production Plant (Submit supplementary information in a footnote)	(2,991)					(2,991)
41	Total Production Plant (Total of lines 39 and 40)	(2,991)					(2,991)
42	NATURAL GAS STORAGE AND PROCESSING PLANT						
43	Underground storage plant						
44	350.1 Land						
45	350.2 Rights-of-Way						
46	351 Structures and Improvements						
47	352 Wells						
48	352.1 Storage Leaseholds and Rights						
49	352.2 Reservoirs						
50	352.3 Non-recoverable Natural Gas						
51	353 Lines						
52	354 Compressor Station Equipment						
53	355 Measuring and Regulating Equipment						
54	356 Purification Equipment						
55	357 Other Equipment						
56	358 Asset Retirement Costs for Underground Storage Plant						
57	Total Underground Storage Plant (Total of lines 44 thru 56)						

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
58	Other Storage Plant						
59	360 Land and Land Rights						
60	361 Structures and Improvements						
61	362 Gas Holders						
62	363 Purification Equipment						
63	363.1 Liquefaction Equipment						
64	363.2 Vaporizing Equipment						
65	363.3 Compressor Equipment						
66	363.4 Measuring and Regulating Equipment						
67	363.5 Other Equipment						
68	363.6 Asset Retirement Costs for Other Storage Plant						
69	Total Other Storage Plant (Total of lines 58 thru 68)						
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant						
71	364.1 Land and Land Rights						
72	364.2 Structures and Improvements						
73	364.3 LNG Processing Terminal Equipment						
74	364.4 LNG Transportation Equipment						
75	364.5 Measuring and Regulating Equipment						
76	364.6 Compressor Station Equipment						
77	364.7 Communications Equipment						
78	364.8 Other Equipment						
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas						
80	Total Base Load Liquified Natural Gas, Terminating and Processing Plant (Total of lines 71 thru 79)						
81	Total Nat'l Gas Storage and Processing Plant (Total of lines 57, 69, and 80)						
82	TRANSMISSION PLANT						
83	365.1 Land and Land Rights						
84	365.2 Rights-of-Way						
85	366 Structures and Improvements						
86	367 Mains						
87	368 Compressor Station Equipment						
88	369 Measuring and Regulating Station Equipment						
89	370 Communication Equipment						
90	371 Other Equipment						
91	372 Asset Retirement Costs for Transmission Plant						
92	Total Transmission Plant (Total of line 81 thru 91)						
93	DISTRIBUTION PLANT						

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
94	374 Land and Land Rights	10,627,268	564,767				11,192,035
95	375 Structures and Improvements	6,976,052	85,128	(2,645,251)			9,706,431
96	376 Mains	443,611,279	46,804,048	604,779			489,810,548
97	377 Compressor Station Equipment						
98	378 Measuring and Regulating Station Equipment-General	70,030,645	23,901,263	306,592			93,625,216
99	379 Measuring and Regulating Station Equipment-City Gate	1,614,864	22,853				1,637,717
100	380 Services	218,001,384	6,282,883	332,730			223,951,537
101	381 Meters	18,550,495	1,729,292				20,279,787
102	382 Meter Installations	17,606,753	1,107,783				18,714,536
103	383 House Regulators	7,567,127	130,485				7,697,612
104	384 House Regulator Installations	6,102,140	11,749				6,113,889
105	385 Industrial Measuring and Regulating Station Equipment	519,818					519,818
106	386 Other Property on Customers' Premises						
107	387 Other Equipment	83,070					83,070
108	388 Asset Retirement Costs for Distribution Plant	6,961,409	(128,451)	(186,297)			7,019,255
109	Total Distribution Plant (Total of lines 94 thru 108)	808,252,204	80,511,800	(1,587,447)			890,351,451
110	GENERAL PLANT						
111	389 Land and Land Rights						
112	390 Structures and Improvements						
113	391 Office Furniture and Equipment	1,336,836	137,164	112,162			1,361,838
114	392 Transportation Equipment	69,948					69,948
115	393 Stores Equipment						
116	394 Tools, Shop, and Garage Equipment	1,845,241	201,289				2,046,530
117	395 Laboratory Equipment						
118	396 Power Operated Equipment	179,975					179,975
119	397 Communication Equipment	11,305,817	379,660				11,685,477
120	398 Miscellaneous Equipment	83,591		83,591			
121	Subtotal (Total of lines 111 thru 120)	14,821,408	718,113	195,753			15,343,768
122	399 Other Tangible Property						
123	399.1 Asset Retirement Costs for General Plant						
124	Total General Plant (Total of lines 121, 122, and 123)	14,821,408	718,113	195,753			15,343,768
125	Total (Accounts 101 and 106)	845,726,686	82,979,722	(1,391,694)			930,098,102
126	Gas Plant Purchased (See Instruction 8)						
127	(Less) Gas Plant Sold (See Instruction 8)						
128	Experimental gas plant unclassified						
129	Total Gas Plant In Service (Total of lines 125 thru 128)	845,726,686	62,979,722	(1,391,694)			930,098,102

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Gas Property and Capacity Leased from Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds $500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
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11				
12				
13				
14				
15				
16				
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21				
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23				
24				
25				
26				
27				
28				

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	Total			

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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Gas Property and Capacity Leased to Others

1. For all leases in which the average lease income over the initial term of the lease exceeds $500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessee (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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24				
25				
26				
27				
28				

Line No.	Name of Lessee (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	Total			
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Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $1,000,000 or more. Group other items of property held for future use.
2. For property having an original cost of $1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and in column (b) the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Other Land and Land Rights < $1M Each (11 Items)			265,679
45	Total			265,679

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Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than $1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	DISTRIBUTION PLANT		
2	0		
3	LINE AM07 - PIPELINE REPLACE PH 1	5,650,095	
4	DISTRIBUTION PLANT-CAPITAL ALLOCATIONS	2,674,813	
5	LINE AM07 PIPELINE REPLACE PHASE 2	2,019,468	
6	EMERGENT-DONALDSON RD-RELOCATION	1,837,365	
7	PROJECTS LESS THAN $1 MILLION	4,816,896	
8	GENERAL PLANT		
9	0		
10	PROJECTS LESS THAN $1 MILLION	926,901	
11	INTANGIBLE PLANT		
12	0		
13	PROJECTS LESS THAN $1 MILLION	1,307,193	
14	PRODUCTION PLANT		
15	0		
16	STA 0949 DAYTON VALVE HOUSE	1,412,676	
17	PROJECTS LESS THAN $1 MILLION	1,527,335	
18	TRANSMISSION PLANT		
19	0		
20	LINE AM07 - PIPELINE REPLACE PH 1	8,667,039	
21	LINE AM07 PIPELINE REPLACE PHASE 2	7,414,753	
22	PROJECTS LESS THAN $1 MILLION	271,537	
45	TOTAL	40,126,069	

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Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the Commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.
5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.
6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility.
7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
9. In column i, report the amount of depreciation expense accrued on the facility during the year.
10. In column j, list any other expenses(including taxes) allocated to the facility.
11. In column k, report the incremental revenues associated with the facility.
12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
13. Provide the total amounts for each column.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1											
2											
3											
4											
5											
6											
7											
8											
9											
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11											
12											
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20											
21											

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
32											
33											
34											
35											
36											
37	Gas Plant In Service										

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General Description of Construction Overhead Procedure

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. CONSTRUCTION OVERHEAD COSTS INCLUDE ENGINEERING AND SUPERVISORY SALARIES, ADMINISTRATIVE AND GENERAL SALARIES AND ASSOCIATED PAYROLL TAXES AND BENEFITS AND EMPLOYEE EXPENSES.

IN GENERAL, IF ENGINEERS, SUPERVISORS, AND CLERICAL EMPLOYEES DEVOTE ALL OR SUBSTANTIALLY ALL OF THEIR TIME TO CAPITAL CONSTRUCTION PROJECTS, THE SALARIES AND RELATED EXPENSES ARE CHARGED DIRECTLY TO THE SPECIFIC CAPITAL CONSTRUCTION PROJECTS.

FOR POWER DELIVERY, CONSTRUCTION OVERHEAD COSTS ARE CHARGED TO THE ALLOCATION POOLS AND FROM THERE TRANSFERRED TO THE SPECIFIC CAPITAL CONSTRUCTION PROJECTS WHERE THE LABOR (INTERNAL AND CONTRACT) WAS CHARGED DURING THE MONTH.

2. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) IS APPLIED TO THE TOTAL CONSTRUCTION EXPENDITURES, LESS CERTAIN EXCLUSIONS, ON JOBS UNDER CONSTRUCTION. EFFECTIVE JULY 1, 1982, THE RESPONDENT ADOPTED THE PRACTICE OF UPDATING THE AFUDC RATE MONTHLY, AS AUTHORIZED BY THE FEDERAL ENERGY REGULATORY COMMISSION IN A LETTER DATED MAY 27, 1982. THE AVERAGE AFUDC RATE FOR 2022 WAS 3.46%. THE MONTHLY RATE DOES NOT INCLUDE A REDUCTION FOR THE INCOME TAX EFFECT ON THE COST OF DEBT.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (e) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify in column (c), the specific entity used as the source for the capital structure figures.
3. Indicate in column (f), if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Entity Name (c)	Capitalization Ration (percent) (d)	Cost Rate Percentage (e)	Rate Indicator (f)
	(1) Average Short-Term Debt	S				
	(2) Short-Term Interest				s	
	(3) Long-Term Debt	D			d	
	(4) Preferred Stock	P			p	
	(5) Common Equity	C			c	
	(6) Total Capitalization					
	(7) Average Construction Work in Progress Balance	W				

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] -
3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))] -
4. Weighted Average Rate Actually Used for the Year:
 (a) Rate for Borrowed Funds -
 (b) Rate for Other Funds -

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Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 12, column (c), and that reported for gas plant in service, page 204, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	183,689,521	183,689,521		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	17,492,023	17,492,023		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	4,889	4,889		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9.1	Other Clearing (Specify) (footnote details):				
9.2	Common Plant Depreciation	(115,019)	(115,019)		
9.3	ARO Depreciation deferred	161,625	161,625		
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	17,543,518	17,543,518		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	1,503,621	1,503,621		
13	Cost of Removal	(4,659,411)	[a](4,659,411)		
14	Salvage (Credit)	62,219	62,219		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(3,093,571)	(3,093,571)		
16	Other Debit or Credit Items (Describe in footnote details)				
17.1	Other Debit or Credit Items (Describe) (footnote details):				
17.2	Propane Cavern Adjustments				
17.3	Gain & Loss on sale/disposal of assets	(83,825)	(83,825)		
17.4	Asset Location Clean Up				
17.5	Misc. Adjustments	6,057	6,057		
17.6		115,019	115,019		
18	Book Cost of Asset Retirement Costs				

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant held for Future Use (d)	Gas Plant Leased to Others (e)
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	198,176,719	198,176,719		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	(556,953)	(556,953)		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage				
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	197,438,504	197,438,504		
29	General	1,295,168	1,205,168		
30	TOTAL (Total of lines 21 thru 29)	198,176,710	198,176,719		

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FOOTNOTE DATA

(a) Concept: CostOfRemovalOfPlant
Intangible Retirements and General Plant Assets Retirements of $195,753 not reported on FERC Page 219.

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Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year								
2	Gas Delivered to Storage								
3	Gas Withdrawn from Storage								
4	Other Debits and Credits								
5	Balance at End of Year								
6	Dth								
7	Amount Per Dth								

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Investments (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments. List Account number in column (a).
2. Provide a subheading for each account and list thereunder the information called for: (a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes. (b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account. List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.
3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
5. Report in column (k) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (l) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (k).

Line No.	Description of Investment (a)	* (b)	Date Acquired (c)	Date Matured (d)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (e)	Purchases or Additions During the Year (f)	Sales or Other Dispositions During Year (g)	Principal Amount (h)	No. of Shares at End of Year (i)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (j)	Revenues for Year (k)	Gain or Loss from Investment Disposed of (l)
1												
2												
3												
4	Total Investment in Associated Companies											
1	124-9 Campbell County Business Dev. Corp		06/18/1962		1,500					1,500		
2	Total Other Investments				1,500					1,500		
1												
2												
3												
4	Total Temporary Cash Investments											
4	Total Investments				1,500					1,500		

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Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h). (a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate. (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.
4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	Equity in Subsidiary earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	Equity in Subsidiary earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40	TOTAL Cost of Account 123.1 $		Total					

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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	415,920
6	TOTAL	415,920

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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2) (continued)

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

1. Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)].
2. Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses.

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7							
8							
9							
10							
11							
12							
13							
14							
15	TOTAL						

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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2) (continued)

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

1. Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).
2. Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses.

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	TOTAL						

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Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (b).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in column (c), for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Amortization Period (b)	Regulatory Citation (c)	Balance at Beginning Current Quarter/Year (d)	Debits (e)	Written off During Quarter/Year Account Charged (f)	Written off During Period Amount Recovered (g)	Written off During Period Amount Deemed Unrecoverable (h)	Balance at End of Current Quarter/Year (i)
1	INCOME TAXES			5,632,605	1,072,041	282, 283			6,704,646
2	DEMAND SIDE MANAGEMENT COSTS-(Amortized in accordance with rider revenue)--		Order #2017-321-- Order #2015-368-- Order #2014-388	1,438,430	(1,440,003)				(1,573)
3	INTEREST RATE HEDGES	Amortized over life of associated debt	Order #2006-563	1,547,895	(161,623)				1,386,272
4	ESM DEFERRAL--		Order #2017-321	9,130,625	(1,513,369)				7,617,256
5	FTR DEFERRAL								
6	REPS INCREMENTAL COSTS				917				917
7	ARO OTHER REGULATORY ASSET			324,281	572,696				896,977
8	GAS ARO OTHER REGULATORY ASSET			7,550,785	723,636				8,274,421
9	ARO CONTRA-REGULATORY ASSET		Order #2017-321	(4,380,021)	1,667,500				(2,712,521)
10	COAL ASH DEFERRED SPEND--		Order #2015-187	16,844					16,844
11	COAL ASH ARO--		Order #2015-187	(18,078,041)	23,806,652				5,728,611
12	COAL ASH CONTRA EQUITY-		Order #2017-321	(524,659)	94,620				(430,039)
13	SPEND RA AMORTIZATION (NC & MW)--		Order #2017-321	10,697,885		182.3, 407.3, 421, 431	1,636,042		9,060,943
14	SPEND RA AMORTIZATION (SC & FL)--		Order #2017-321	6,850,944	12,965,636	407.3	17,509,034		2,307,546
15	DEK DEFERRED STORM EXPENSE-		Order #2018-416	490,491		593	210,211		280,280
16	CARBON MANAGEMENT REGULATORY ASSET	120 months beginning May 2018	Order #2017-321-Order #2008-308	1,066,645		407.0	199,996		866,649
17	HURRICANE IKE REGULATORY ASSET-	60 months beginning May 2018	Order #2017-321-Order #2008-476	327,512			327,512		
18	EAST BEND PLANT O&M DEFERRAL-	120 months beginning May 2018	Order #2017-321-Order #2014-201	23,296,965	103	407.3, 407.4	3,570,790		19,726,278
19	EAST BEND DEPRECIATION DEFERRAL	Remaining Life of Asset	Order #2015-120	9,217,649		403	490,618		8,727,031

Line No.	Description and Purpose of Other Regulatory Assets (a)	Amortization Period (b)	Regulatory Citation (c)	Balance at Beginning Current Quarter/Year (d)	Debits (e)	Written off During Quarter/Year Account Charged (f)	Written off During Period Amount Recovered (g)	Written off During Period Amount Deemed Unrecoverable (h)	Balance at End of Current Quarter/Year (i)
20	Non-AMI Meter NBV	148 months beginning May 2018	Order #2017-321	3,129,861		407.3, 421	368,588		2,761,273
21	Opt-Out IT Modification	60 months beginning May 2018	Order #2017-321-Order #2018-152	10,480		407.3	10,480		
22	Plant Outage Normalization-	60 months beginning October 2023	Order #2017-321; Order 2022-00372	9,557,239	2,476,527	407.3	361,855		11,671,911
23	Deferred Forced Outage Purchased Power	60 months beginning October 2023	Order #2017-321; Order 2022-00372	5,649,974	110,070	407.3, 557	1,336,329		4,423,715
24	GAS RATE CASE DEFERRAL	60 months beginning April 2019	Order#2018-261	63,790		928	51,031		12,759
25	DEFERRED GAS INTEGRITY COSTS	120 months beginning April 2018	Order#2018-261Order #2106-159	1,948,502		407.3, 407.4	277,266		1,671,236
26	OTHER REGULATORY ASSETS - GENERAL ACCOUNTING-		FERC Docket A107-1-000	22,659,650		128, 182.3, 228.3, 925	338,934		22,320,716
27	PENSION POST RETIRE PURCHASE ACCOUNTING - Q—		FERC Docket A107-1-000	3,240,643		128, 182.3, 228.3, 926	137,316		3,103,327
28	PENSION POST RETIRE PURCHASE ACCOUNTING - NQ—		FERC Docket A107-1-000	(34,951)	96	926			(34,855)
29	PENSION POST RETIRE PURCHASE ACCOUNTING - FAS		FERC Docket A107-1-000	1,279,066		228.3, 254, 926	149,706		1,129,270
30	Misc/ ST Reg Assets								
31	Customer Connect Deferral LT		Order #2021-00190	918,578		407	124,047		794,531
32	Deferred CIS O&M Current		Order #2021-00190	124,047					124,047
33	OPEB FAS 106 - Medical				180,930				180,930
40	TOTAL			103,143,714	40,556,431		27,100,745		116,599,400

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Miscellaneous Deferred Debits (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (b).
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Amortization Period (b)	Balance at Beginning of Year (c)	Debits (d)	Credits Account Charged (e)	Credits Amount (f)	Balance at End of Year (g)
1	Vacation Accrual		1,121,433	(9,471)			1,111,962
2	Straight Line Lease Deferral	amortized 01/20 - 12/38	362,759	758,634	242	697,035	424,358
3	DEK 2017 Rate Case - Electric	amortized 05/20 - 04/25	177,504		928	78,890	98,614
4	DEK 2019 Rate Case - Electric	amortized 05/20 - 04/25	158,278	0	928	67,834	90,444
5	DEK 2021 Rate Case - Gas	amortized 01/22 - 12/27	180,285		928	44,939	135,346
6	Indirect overhead allocation pool undistributed		74,149	28,047	0.00		102,196
7	DEK 2022 Rate Case - Electric		302,639	469,751	0.00		772,390
39	Miscellaneous Work in Progress						
40	TOTAL		2,377,047	1,246,961		888,698	2,735,310

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year, Amounts Credited to Account 411.1 (d)	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1	Account 190										
2	Electric	56,936,752	10,082,301	7,440,463	121,576		254	1,278,002		ᵃ2,530,974	55,425,410
3	Gas	17,519,200	972,876	2,855,125			254	116,569			19,284,940
4	Other (Define)										
5	Total (Total of lines 2 thru 4)	74,456,012	11,055,177	10,295,588	121,576			1,395,471		2,530,974	74,710,350
6	Other (Specify)										
7	TOTAL Account 190 (Total of lines 5 thru 6)	74,456,012	11,055,177	10,295,588	121,576			1,395,471		2,530,974	74,710,350
8	Classification of TOTAL										
9	Federal Income Tax	60,297,543	9,369,200	9,675,255	97,342			1,075,406		2,405,223	61,830,073
10	State Income Tax	14,158,469	1,685,977	620,333	24,234			320,065		125,751	12,874,277
11	Local Income Tax										

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FOOTNOTE DATA

(a) Concept: AdjustmentsCreditedToAccount

Offset to account 254	630,848	Offset to account 255	1,900,126	Total	2,530,974

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (c) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	Common Stock (Account 201)									
2	Common Stock	1,000,000.00	15.00		585,333.00	8,779,995.00				
3										
4										
5	Total	1,000,000			585,333	8,779,995				
6	Preferred Stock (Account 204)									
7										
8										
9										
10	Total									
11	Total									

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Received on (Accts 202, 203, 205, 206, 207, and 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1	Common Stock, Subscribed (Account 202)			
2				
3				
4				
5	Total			
6	Common Stock, Converted to Liability (Account 203)			
7				
8				
9				
10	Total			
11	Preferred Stock, Subscribed (Account 205)			
12				
13				
14				
15	Total			
16	Preferred Stock Liability for Conversion (Account 206)			
17				
18				
19				
20	Total			
21	Premium on Capital Stock (Account 207)			
22	Premium $15 per Share on Capital Stock in 1955	*	62,419	936,287
23	Premium $17 per Share on Capital Stock in 1957	*	104,000	1,768,003
24	Premium $38 per Share on Capital Stock in 1961	*	69,333	2,634,656
25	Premium $135 per Share on Capital Stock in 1992	*	100,000	13,500,000
26	Total		335,752.00	18,838,946.00
27	Installments on Capital Stock (Account 212)			
28				

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
29				
30				
31	Total			
40	Total		335,752.00	18,838,946.00
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Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

a. Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.
b. Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
c. Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
d. Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	**Donations Received from Stockholders (Account 208)**	
2	Beginning Balance Amount	148,811,383
3.1	Increases (Decreases) from Sales of Donations Received from Stockholders	
4	Ending Balance Amount	148,811,383
5	**Reduction in Par or Stated Value of Capital Stock (Account 209)**	
6	Beginning Balance Amount	
7.1	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock	
8	Ending Balance Amount	
9	**Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)**	
10	Beginning Balance Amount	
11.1	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock	
12	Ending Balance Amount	
13	**Miscellaneous Paid-In Capital (Account 211)**	
14	Beginning Balance Amount	124,843,806
15.1	Increases (Decreases) Due to Miscellaneous Paid-In Capital	185,000,000
16	Ending Balance Amount	309,843,806
17	**Other Paid in Capital**	
18	Beginning Balance Amount	
19.1	Increases (Decreases) in Other Paid-In Capital	
20	Ending Balance Amount	
40	Total	458,655,189

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15	Total	

Capital Stock Expense (Account 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29	Total	

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Securities Issued or Assumed and Securities Refunded or Retired During the Year

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expences, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Long-Term Debt (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a)principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
1	Bonds (Account 221)								
2									
3									
4									
5									
6									
7									
8									
9									
10	Subtotal								
11	Reacquired Bonds (Account 222)								
12									
13									
14									
15									
16									
17									
18									
19									
20	Subtotal								
21	Advances from Associated Companies (Account 223)								

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
22	INTERCOMPANY MONEYPOOL NOTES PAYABLE - LONG TERM	12/15/2014	03/17/2028	25,000,000	5.627%	6,162,745			
23	Subtotal			25,000,000		6,162,745			
24	Other Long Term Debt (Account 224)								
25	UNSECURED DEBENTURES 6.20% SERIES B DUE IN 2036	03/10/2006	03/10/2036	65,000,000	6.2%	4,030,000			0.30
26	POLLUTION CONTROL REFUNDING BONDS 2008 SERIES A DUE IN 2027	06/27/2022	08/01/2027	50,000,000	3.7%	1,850,000			1.00
27	POLLUTION CONTROL REFUNDING BONDS 2010 SERIES A DUE IN 2027	02/01/2012	08/01/2027	26,720,000	3.95%	952,940			1.00
28	UNSECURED DEBENTURES 3.42% DUE IN 2026	01/05/2016	01/15/2026	45,000,000	3.42%	1,539,000			0.25
29	UNSECURED DEBENTURES 4.45% DUE IN 2046	01/05/2016	01/15/2046	50,000,000	4.45%	2,225,000			0.50
30	UNSECURED DEBENTURES 3.35% DUE IN 2029	09/07/2017	09/15/2029	30,000,000	3.35%	1,005,000			0.50
31	UNSECURED DEBENTURES 4.11% DUE IN 2047	09/07/2017	09/15/2047	30,000,000	4.11%	1,233,000			0.50
32	UNSECURED DEBENTURES 4.26% DUE IN 2057	09/07/2017	09/15/2047	30,000,000	4.26%	1,278,000			0.50
33	UNSECURED DEBENTURES 4.01% DUE IN 2023	10/03/2018	10/15/2023		4.01%	780,881			0.50
34	UNSECURED DEBENTURES 4.18% DUE IN 2028	10/03/2018	10/15/2028	40,000,000	4.18%	1,672,000			0.50
35	UNSECURED DEBENTURES 4.62% DUE IN 2048	12/12/2018	12/15/2048	35,000,000	4.62%	1,617,000			0.50
36	UNSECURED DEBENTURES 4.32% DUE IN 2049	07/17/2019	07/15/2049	40,000,000	4.32%	1,728,000			0.50
37	UNSECURED DEBENTURES 3.23% DUE IN 2025	09/26/2019	10/01/2025	95,000,000	3.23%	3,068,500			0.50
38	UNSECURED DEBENTURES 3.56% DUE IN 2029	09/26/2019	10/01/2029	75,000,000	3.56%	2,670,000			0.50
39	UNSECURED DEBENTURES 2.65% DUE IN 2030	09/16/2020	09/15/2030	35,000,000	2.65%	927,500			0.50
40	UNSECURED DEBENTURES 3.66% DUE IN 2050	09/15/2020	09/15/2050	35,000,000	3.66%	1,281,000			0.50
41	TERM LOAN DUE IN 2023	10/12/2021	10/12/2023		6.53%	3,070,948			0.60
42	See Footnote								
20	Subtotal			681,720,000		30,938,749			
40	TOTAL			706,720,000		37,101,494			

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: InterestRate

The interest rate varies on this note. The interest rate is as of December 31, 2023.

(b) Concept: ClassOfSeriesOfObligationAndNameOfStockExchange

On December 2, 2022 the Kentucky PSC approved Duke Energy Kentucky's long-term financing application authorizing the issuance of up to $275 million of secured and/or unsecured notes, and $76.72 million of tax-exempt private activity bonds to refund existing tax exempt bonds. Authorization expires 12/31/2024.

(c) Concept: InterestRate

The interest rate varies on this pollution control bond. The interest rate is as of December 31, 2023.

(d) Concept: InterestRate

The interest rate varies on this term loan bond. The interest rate is as of December 19, 2023.In October 2023, the DEK $50M Term Loan outstanding was increased by $25M to a total of $75M and extended to a new maturity date in April 2024.Next, in December 2023, DE Kentucky paid off the $75M Term Loan; therefore, at year end there was no outstanding DEK Term Loan.

(e) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(f) Concept: RedemptionPrice

This PCB is redeemable at par ($100) and is not subject to the redemption calculation.

(g) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(h) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(i) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(j) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(k) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(l) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(m) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(n) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(o) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(p) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(q) Concept: RedemptionPrice

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

(r) Concept: RedemptionPrice
Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.
(s) Concept: RedemptionPrice
Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.
(t) Concept: RedemptionPrice
Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in Column (i) and is shown as basis points in percentages. The calculated redemption price can never be less than $100.

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total expense - Premium; Discount; or Debt Issuance Costs (c)	Amortization Period Date From (d)	Amortization Period Date To (e)	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1	Unamortized Debt Expense (Account 181)								
2	POLLUTION CONTROL BONDS 2010 SERIES A DUE IN 2027	26,720,000	939,966	02/01/2012	08/01/2027	82,361	10,207	21,281	71,287
3	POLLUTION CONTROL BONDS 2008 SERIES A DUE IN 2027	50,000,000	387,500	06/27/2022	08/01/2027	370,745		76,748	293,997
4	(a) TERM LOAN 5.812% DUE IN 2023	50,000,000	5,506	10/12/2021	10/12/2023	2,851		2,851	
5	UNSECURED DEBENTURES 6.20% SERIES B DUE IN 2036	65,000,000	653,550	03/07/2006	03/10/2036	287,385		21,785	265,600
6	UNSECURED DEBENTURES 3.42% SERIES A DUE IN 2026	45,000,000	220,191	01/05/2016	01/15/2026	72,359		23,811	48,548
7	UNSECURED DEBENTURES 4.45% SERIES A DUE IN 2046	50,000,000	247,535	01/05/2016	01/15/2046	204,261		8,866	195,395
8	UNSECURED DEBENTURES 3.35% SERIES A DUE IN 2029	30,000,000	124,475	09/07/2017	09/15/2029	69,428		10,354	59,074
9	UNSECURED DEBENTURES 4.11% SERIES A DUE IN 2047	30,000,000	124,475	09/07/2017	09/15/2047	102,431		4,146	98,285
10	UNSECURED DEBENTURES 4.26% SERIES A DUE IN 2057	30,000,000	124,475	09/07/2017	09/15/2057	107,939		3,110	104,829
11	UNSECURED DEBENTURES 4.01% SERIES A DUE IN 2023	25,000,000	111,522	10/03/2018	10/15/2023	9,074		9,074	
12	UNSECURED DEBENTURES 4.18% SERIES A DUE IN 2028	40,000,000	158,522	10/03/2018	10/15/2028	76,859	13,449	15,600	74,708
13	UNSECURED DEBENTURES 4.62% SERIES A DUE IN 2048	35,000,000	141,522	12/12/2018	12/15/2048	110,841	11,768	4,716	117,893
14	UNSECURED DEBENTURES 4.32% SERIES A DUE IN 2049	40,000,000	195,082	07/17/2019	07/15/2049	182,964	(9,247)	6,545	167,172
15	UNSECURED DEBENTURES 3.23% SERIES A DUE IN 2025	95,000,000	415,062	09/26/2019	10/01/2025	211,709	(21,002)	69,021	120,786
16	UNSECURED DEBENTURES 3.56% SERIES A DUE IN 2029	75,000,000	335,082	09/26/2019	10/01/2029	243,389	(17,522)	33,462	192,405

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total expense - Premium; Discount; or Debt Issuance Costs (c)	Amortization Period Date From (d)	Amortization Period Date To (e)	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
17	UNSECURED DEBENTURES 2.85% SERIES A DUE IN 2030	35,000,000	127,283	09/15/2020	09/15/2030	124,009	(25,931)	12,728	85,350
18	UNSECURED DEBENTURES 3.66% SERIES A DUE IN 2050	35,000,000	127,283	09/15/2020	09/15/2050	143,479	(25,931)	4,243	113,305
19	MASTER CREDIT FACILITY		454,094	11/18/2011	03/18/2027	437,061	108,597	104,573	441,085
20	TOTAL 181	756,720,000				2,838,745	43,488	432,714	2,449,519
21	Premium on Long-Term Debt (Account 225)								
22									
23									
24									
25	Discount on Long-Term Debt (Account 226)								
26	UNSECURED DEBENTURES 6.20% SERIES B DUE IN 2036	65,000,000	367,900	03/10/2006	03/10/2036	161,775		12,264	149,511

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: DesignationOfLongTermDebt

In October 2023, the DEK $50M Term Loan outstanding was increased by $25M to a total of $75M and extended to a new maturity date in April 2024.Next, in December 2023, DE Kentucky paid off the $75M Term Loan; therefore, at year end there was no outstanding DEK Term Loan.

(b) Concept: DesignationOfLongTermDebt

In March 2023, Duke Energy amended its existing Master Credit Facility of $9 billion to extend the termination date to March 2028. The Duke Energy Registrants, excluding Progress Energy, have borrowing capacity under the Master Credit Facility up to a specified sublimit for each borrower. Duke Energy Kentucky has a $225 million borrowing limit as of December 31, 2023.

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Unamortized Loss and Gain on Reacquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (d) show the principal amount of bonds or other long-term debt reacquired.
3. In column (e) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date of Maturity (b)	Date Reacquired (c)	Principal of Debt Reacquired (d)	Net Gain or Loss (e)	Balance at Beginning of Year (f)	Balance at End of Year (g)
1	Unamortized Loss (Account 189)						
2	7.65% SERIES		04/06/2006	15,000,000		(102,331)	(98,393)
3	5.5% SERIES		09/01/2006	48,000,000		(38,654)	
4	6.5% SERIES		09/01/2006	12,720,663			
5	2006A SERIES		12/26/2008	50,000,000		(71,357)	(55,788)
6	Unamortized Gain (Account 257)						
7							
8							
9							

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 114)	65,162,216
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	4,411,527
8	Total	4,411,527
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal & State Income Tax Deducted for Books	11,096,106
11	State Income Tax Deduction	-21,420,838
12	Bad Debts	214,846
13	Book Depreciation	79,763,310
14	Capitalized Hardware/Software	43,086
15	Coal Ash Spend, Net of Capitalized Portion	14,303,645
16	Deferred Revenue	256,048
17	Demand Side Management Deferral	2,121,738
18	Impairment of Plant Assets	55,354
19	Lobbying	360,000
20	Loss on Reacquired Debt	118,160
21	Meals	171,000
22	Offsite Gas Storage Costs	392,864
23	Regulatory Asset - Carbon Management	199,996
24	Regulatory Asset - Deferred Plant Costs	4,061,305
25	Regulatory Asset - Non-AMI Meters	368,588
26	Regulatory Asset - Opt Out Tariff IT Modifications	10,480
27	Regulatory Asset - Vacation Carryover	9,472
28	Regulatory Asset- Storm Damage Recovery	327,512
29	Regulatory Liability - Rate Case Expenses	67,834
30	Regulatory Liability - RSLI & Other Misc Dfd Costs	277,266

Line No.	Details (a)	Amount (b)
31	Storm Cost Deferral	210,211
32	Tax Interest Capitalized	3,469,617
33	Transportation Benefits	24,000
34	Unbilled Revenue - Fuel	3,895,257
35	Deferred Costs - Customer Connect	124,047
36	Non-Cash Overhead Basis Adjustment	247,459
37	Capitalized 174 R&D Expense	1,000,000
38	Extra Facility Lighting	18,520
39	Severance Reserve - LT	664,250
40	Workers Com Reserve	245,042
41	Entertainment	19,000
13	Total	145,598,852
14	Income Recorded on Books Not Included in Return	
15	Allowance for Funds Used During Construction	1,057,191
18	Total	1,057,191
19	Deductions on Return Not Charged Against Book Income	
20	AFUDC Interest	4,117,502
21	Asset Retirement Obligation	79,928
22	Benefits Accruals	3,567,219
23	Cost of Removal	16,495,243
24	Environmental Reserve	29,869
25	Equipment/T&D Repairs	141,009,370
26	Mark to Market	45,668
27	Regulatory Asset - ESM Deferral	154,131
28	Regulatory Asset - Rate Case Expenses	294,891
29	Regulatory Asset - Transition from MISO to PJM	218,404
30	Regulatory Liability - Outage Costs	288,412
31	Tax Depreciation/Amortization	78,200,000
32	Tax Gains/Losses	300,000
33	Unamortized Debt Premium	8,845
34	Property Tax Reserves	7,650,166
35	Rate Refunds	163,539
36	Gas Supplier Refunds	595,616
37	Lease Adjustments	578,135
38	Regulatory Asset - Deferred Revenue	7,377,203
39	Regulatory Asset - FAS 158	370,459

Line No.	Details (a)	Amount (b)
40	Charitable Contribution Carryover	202,194
41	REPS Incremental Costs	917
26	Total	262,408,711
27	Federal Tax Net Income	(48,293,307)
28	Show Computation of Tax:	
29	Provision for Federal Income Tax @ 21%	(10,141,594)
30	Prior Year Federal Tax True Ups	787,096
31	Coporate Alternative Minimum Tax	888,300
32	Total Federal Income Tax	(8,466,198)
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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (g) and (h). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (g) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.
5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (d).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (i) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (l) thru (s) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.
11. Report in column (l) the applicable effective state income tax rate.

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	Tax Jurisdiction (c)	Tax Year (d)	Balance at Beg. of Year Taxes Accrued (e)	Balance at Beg. of Year Prepaid Taxes (f)	Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	Balance at End of Year Taxes Accrued (Account 236) (j)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (k)	Electric (Account 408.1, 409.1) (l)
1	Fed Insurance Tax	Federal Tax	Federal	2023	(323,425)	0	1,557,979	1,323,264		(88,730)		1,687,587
2					0	0				0		
3	**Subtotal Federal Tax**				(323,425)	0	1,557,979	1,323,264		(88,730)		1,687,587
4	Local Property Tax	Property Tax	KY	2023	0	0						
5	Property Tax	Property Tax	KY	2023	25,539,901	0	13,249,320	14,435,009		24,354,212		10,140,464
6	**Subtotal Property Tax**				25,539,901	0	13,240,320	14,435,009		24,354,212		10,140,464
7	**Subtotal Real Estate Tax**				0	0						
8	Fed Unemployment	Unemployment Tax	Federal	2023	392	0	7,864	8,095		161		5,711
9	State Unemployment	Unemployment Tax	Various	2023	(13,405)	0		(19)	[a]13,405	19		
10	OH Unemployment Tax	Unemployment Tax	OH	2023	0	0	1,073	17,060		(16,087)		1,457
11	KY Unemployment Tax	Unemployment Tax	KY	2023	0	0	4,172	5,362	[a](13,405)	(14,595)		3,080
12	**Subtotal Unemployment Tax**				(13,013)	0	14,009	30,498		(29,502)		10,248
13	KY Sales and Use Tax	Sales And Use Tax	Various	2023	424,456	0	2,954,336	2,847,553		531,239		(91)
14	OH Sales and Use Tax	Sales And Use Tax	Various	2023	17,736	0	39,706	53,493		3,949		
15	Other Sales and Use Tax	Sales And Use Tax	Various	2023	99,604	0	14,559			114,163		(57,529)
16	**Subtotal Sales And Use Tax**				541,796	0	3,008,601	2,901,046		649,351		(57,620)
17	Income Tax	Income Tax	Federal	2023	11,138,840	0	(8,466,198)	22,060,651		(19,388,009)		9,069,528
18	Income Tax	Income Tax	KY	2023	2,331,794	0	(4,289,282)	3,351,162		(5,308,650)		535,181
19	**Subtotal Income Tax**				13,470,634	0	(12,755,480)	25,411,813		(24,696,659)		9,604,709
20	**Subtotal Excise Tax**				0	0						
21	**Subtotal Fuel Tax**				0	0						
22	**Subtotal Federal Insurance Tax**				0	0						
23	State Franchise				0	0	6,433	6,433				4,688
24	**Subtotal Franchise Tax**				0	0	6,433	6,433		0		4,688
25	Miscellaneous Tax	Miscellaneous Other Tax	Various	2023	0	0	(4,979)	(4,979)		0		

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	Tax Jurisdiction (c)	Tax Year (d)	Balance at Beg. of Year Taxes Accrued (e)	Balance at Beg. of Year Prepaid Taxes (f)	Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	Balance at End of Year Taxes Accrued (Account 236) (j)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (k)	Electric (Account 408.1, 409.1) (l)
26	**Subtotal Miscellaneous Other Tax**				0	0	(4,979)	(4,979)		0		
40	Total				39,215,893		5,075,883	44,103,104		188,672		21,390,076

Line No.	Gas (Account 408.1, 409.1) (m)	Other Utility Dept. (Account 408.1, 409.1) (n)	Other Income and Deductions (Account 408.2, 409.2) (o)	Extraordinary Items (Account 409.3) (p)	Other Utility Opn. Income (Account 408.1, 409.1) (q)	Adjustment to Ret. Earnings (Account 439) (r)	Other (s)	State/Local Income Tax Rate (t)
1	541,307						(670,915)	
2								
3	541,307						(670,915)	
4								
5	3,197,497						(88,541)	
6	3,197,497						(88,541)	
7								
8	2,021						132	
9								
10	516							
11	1,092							
12	3,629						132	
13	622						2,953,805	
14							39,706	
15	(22,254)						94,342	
16	(21,632)						3,087,053	
17	(7,296,277)		(10,239,449)					
18	(2,275,198)		(2,549,265)					
19	(9,571,475)		(12,788,714)					
20								
21								
22								
23	1,809		(64)					
24	1,809		(64)					
25	9,601		(4,979)				(9,601)	
26	9,601		(4,979)				(9,601)	
40	(5,839,264)		(12,793,757)				2,318,820	

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: TaxAdjustments
Transfer of balance to line number 11
(b) Concept: TaxAdjustments
Transfer of balance from line number 9

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Miscellaneous Current and Accrued Liabilities (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than $250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Deferred Revenue PJM FTR	2,413,286
2	Other Reserve/Accrual	1,605,598
3	Vacation Entitlement Reserve	1,483,424
4	MISO MTEP - Short Term Accrual	879,924
5	FAS 158 Current Liabilities	483,314
6	Wages Payable	352,000
7	Provision for Incentive Ben Prog	248,368
8	Retirement Bank Accrual	180,982
9	Tax Reform	5,730
10	Native Deferred MTM Liability	1,934
11	Ratepayer Sharing Provisions	0
12	Deferred Revenue Payable - Fuel	0
45	Total	7,654,560

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	MISO MTEP Accrual	11,854,798			(218,404)	11,636,394
2	Deferred Revenue - Outdoor Lighting	1,608,050	415	375,389	633,437	1,866,098
3	Amort period 10 years over life of contracts					
4	MGP Reserve	617,795				617,795
5	FTR MTM gains/losses				83,862	83,862
6	Gas Refunds	727,030	805	486,174	(109,441)	131,415
7	Amort period varies					
8	SCHM Exec Cash Bal Plan					
9	Deffered Prepared EF-Lighting				18,520	18,520
45	TOTAL	14,807,673		861,563	407,974	14,354,094

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1	Account 282										
2	Electric	247,110,114	23,908,438	30,412,179	598,082	9,777		ª766,511			241,961,189
3	Gas	80,099,784	36,775,156	18,526,746	12,862,397	490	146	3,842	182	84,417	111,129,526
4	Other (Define)										
5	Total (Total of lines 2 thru 4)	327,209,898	60,683,594	48,938,925	13,460,479	10,267		770,353		84,417	353,090,715
6	Other (Specify)										
7	TOTAL Account 282 (Total of lines 5 thru 6)	327,209,898	60,683,594	48,938,925	13,460,479	10,267	—	770,353	—	84,417	353,090,715
8	Classification of TOTAL										
9	Federal Income Tax	267,257,997	47,807,554	39,224,340	10,777,306	8,220		616,903		60,753	287,166,447
10	State Income Tax	59,951,901	12,876,040	9,714,586	2,683,173	2,046		153,450		23,664	65,924,268
11	Local Income Tax										

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherPropertyAdjustmentsDebitedToAccount

Offset to account 182	756,561	Offset to account 146	9,950	Total	766,511

Name of Respondent:	This report is:	Date of Report:	Year/Period of Report:
Duke Energy Kentucky, Inc	(1) ☑ An Original (2) ☐ A Resubmission	04/25/2024	End of: 2023/ Q4

Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1	Account 283										
2	Electric	18,642,835	10,348,396	4,128,197				[a]269,595	146	35,064	25,097,565
3	Gas	5,320,077	315,892	194,162				[b]25,596		[c]40,285	5,427,118
4	Other (Define)										
5	Total (Total of lines 2 thru 4)	23,962,912	10,664,288	4,322,359				295,191		75,349	30,524,683
6	Other (Specify)										
7	TOTAL Account 283 (Total of lines 5 thru 6)	23,962,912	10,664,288	4,322,359				295,191		75,349	30,524,683
8	Classification of TOTAL										
9	Federal Income Tax	19,560,000	8,538,501	3,460,753				191,311		75,349	24,753,710
10	State Income Tax	4,402,912	2,125,787	861,606				103,880			5,770,973
11	Local Income Tax										

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherAdjustmentsDebitedToAccount

Offset to account 182	269,540	Offset to account 146	55	Total	269,595

(b) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherAdjustmentsDebitedToAccount

Offset to account 182	25,515	Offset to account 146	81	Total	25,596

(c) Concept: AccumulatedDeferredIncomeTaxLiabilitiesOtherAdjustmentsCreditedToAccount

Offset to account 182	27,848	Offset to account 146	12,437	Total	40,285

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	INCOME TAXES	116,498,980	190, 411	5,407,728		583,133	111,674,385
2	PENSION COSTS	5,835,534	182.3, 228.3, 926	1,410,783		821,357	5,246,108
3	DSM ENERGY EFFICIENCY	1,594,895				681,734	2,276,629
4	--Order #2015-00308						
5	Tax Regulatory Liab - Reclass	241,056				(241,056)	
6	Open Int Rate Swap Cur Rg Liab					280,474	280,474
7	Deferred Regulatory Liability					572,974	572,974
45	Total	124,170,465		6,818,511		2,698,016	120,050,570

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers.
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)
1	Total Sales (480-488)	347,890			5,588,463	5,588,463	988,242			11,770,261	11,770,261	1,575,499	
2	Transportation of Gas for Others (489.2 and 489.3)												
3	Rate Case #PR18-27				149,634	149,634				149,634	149,634		
4	Rate FT	247,790			581,605	581,605	355,877			799,762	799,762	320,736	
5	Rate IT	156,328			127,887	127,887	155,436			120,394	120,394	149,262	
63	Total Transportation (Other than Gathering)	404,118	0	0	859,126	859,126	511,313	0	0	1,069,790	1,069,790	469,998	0
64	Storage (489.4)												
65													
66													
67													
68													
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85													
86													
87													
88													
89													
90	Total Storage	0	0	0	0	0	0	0	0	0	0	0	0
91	Gathering (489.1)												

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)
92	Gathering-Firm												
93	Gathering-Interruptible												
94	Total Gathering (489.1)	0	0	0	0	0	0	0	0	0	0	0	0
95	Additional Revenues												
96	Products Sales and Extraction (490-492)												
97	Rents (493-494)												
98	(495) Other Gas Revenues				12	12							
99	(496) (Less) Provision for Rate Refunds												
100	Total Additional Revenues				12	12							
101	Total Operating Revenues (Total of Lines 1,83,90,94 & 100)	752,008			6,447,601	6,447,601	1,499,555			12,840,051	12,840,051	2,045,497	

Line No.	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1		19,234,046	19,234,046
2			
3		149,634	149,634
4		1,218,406	1,218,406
5		110,149	110,149
63	0	1,478,189	1,478,189
64			
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66			
67			
68			
69			
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71			
72			
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75			
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83			
84			
85			
86			
87			
88			
89			
90	0	0	0
91			
92			
93			

Line No.	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
94	0	0	0
95			
96			
97			
98			
99			
100			0
101		20,712,235	20,712,235

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.
4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	(480) Residential Sales					84,141,934	100,157,921	84,141,934	100,157,921	5,643,785	6,752,827
2	(481) Commercial and Industrial Sales					34,233,817	42,850,134	34,233,817	42,850,134	3,114,091	3,608,552
3	(482) Other Sales to Public Authorities					2,207,651	3,059,574	2,207,651	3,059,574	210,658	273,200
4	(483) Sales for Resale										
5	(484) Interdepartmental Sales					27,018	31,215	27,016	31,215	3,105	3,130
6	(485) Intracompany Transfers										
7	(487) Forfeited Discounts										
8	(488) Miscellaneous Service Revenues					14,745	243,409	14,745	243,409		
9	(489.1) Revenues from Transportation of Gas of Others Through Gathering Facilities										
10	(489.2) Revenues from Transportation of Gas of Others Through Transmission Facilities					1,795,608	1,395,036	1,795,608	1,395,036		
11	(489.3) Revenues from Transportation of Gas of Others Through Distribution Facilities					9,243,580	8,712,691	9,243,580	8,712,691	4,472,922	4,670,094
12	(489.4) Revenues from Storing Gas of Others										
13	(490) Sales of Prod. Ext. from Natural Gas										
14	(491) Revenues from Natural Gas Proc. by Others										

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
15	(492) Incidental Gasoline and Oil Sales										
16	(493) Rent from Gas Property										
17	(494) Interdepartmental Rents										
18	(495) Other Gas Revenues					3,506	52,437	3,506	52,437		
19	Subtotal:					131,667,857	156,502,417	131,667,857	156,502,417		
20	(496) (Less) Provision for Rate Refunds					(52,769)	(54,320)	(52,769)	(54,320)		
21	TOTAL					131,720,626	156,556,737	131,720,626	156,556,737		

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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1											
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25											

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).
4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1						1,795,608	1,395,036	1,795,608	1,395,036	11,798,453	10,869,050
40	Total					1,795,608	1,395,036	1,795,608	1,395,036		

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).
4. Dth of gas withdrawn from storage must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1											
2											
3											
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5											
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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Other Gas Revenues (Account 495)

Report below transactions of $250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below $250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Other revenues (Specify):	
13	Gas Losses Damaged Lines	3,506
40	TOTAL	3,506

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Discounted Rate Services and Negotiated Rate Services

1. In column b, report the revenues from discounted rate services.
2. In column c, report the volumes of discounted rate services.
3. In column d, report the revenues from negotiated rate services.
4. In column e, report the volumes of negotiated rate services.

Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					

Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total				

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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	[a]61,146	1,620,370
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Well Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Total of lines 7 thru 17)		
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Measuring and Regulating Station Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Total of lines 20 thru 28)		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)		
31	B2. Products Extraction		

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility-Credit		
46	783 Rents		
47	TOTAL Operation (Total of lines 33 thru 46)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Regulating Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Total of lines 49 thru 56)		
58	TOTAL Products Extraction (Total of lines 47 and 57)		
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Total of lines 61 thru 64)		
66	D. Other Gas Supply Expenses		
67	Operation		

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
68	800 Natural Gas Well Head Purchases		
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
70	801 Natural Gas Field Line Purchases	46,247,461	72,476,022
71	802 Natural Gas Gasoline Plant Outlet Purchases		
72	803 Natural Gas Transmission Line Purchases		
73	804 Natural Gas City Gate Purchases	516	493
74	804.1 Liquefied Natural Gas Purchases		
75	805 Other Gas Purchases	1,589,480	(1,771,471)
76	(Less) 805.1 Purchases Gas Cost Adjustments		
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	47,837,457	70,707,044
78	806 Exchange Gas		
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas		
81	807.2 Operation of Purchased Gas Measuring Stations	221,962	215,027
82	807.3 Maintenance of Purchased Gas Measuring Stations	(56,495)	162,012
83	807.4 Purchased Gas Calculations Expenses		
84	807.5 Other Purchased Gas Expenses	268,478	254,545
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	433,945	631,584
86	808.1 Gas Withdrawn from Storage-Debit		
87	(Less) 808.2 Gas Delivered to Storage-Credit		
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit		
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit		
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit		
92	811 Gas Used for Products Extraction-Credit		
93	812 Gas Used for Other Utility Operations-Credit		
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)		
95	813 Other Gas Supply Expenses		
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	48,271,402	71,338,628
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	48,352,546	72,958,998
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering		
102	815 Maps and Records		
103	816 Wells Expenses		

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
104	817 Lines Expense		
105	818 Compressor Station Expenses		
106	819 Compressor Station Fuel and Power		
107	820 Measuring and Regulating Station Expenses		
108	821 Purification Expenses		
109	822 Exploration and Development		
110	823 Gas Losses	(2)	(2)
111	824 Other Expenses		
112	825 Storage Well Royalties		
113	826 Rents		
114	TOTAL Operation (Total of lines of 101 thru 113)	(2)	(2)
115	Maintenance		
116	830 Maintenance Supervision and Engineering		
117	831 Maintenance of Structures and Improvements		
118	832 Maintenance of Reservoirs and Wells		
119	833 Maintenance of Lines		
120	834 Maintenance of Compressor Station Equipment		
121	835 Maintenance of Measuring and Regulating Station Equipment		
122	836 Maintenance of Purification Equipment		
123	837 Maintenance of Other Equipment		
124	TOTAL Maintenance (Total of lines 116 thru 123)		
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	(2)	(2)
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering		
129	841 Operation Labor and Expenses		
130	842 Rents		
131	842.1 Fuel		
132	842.2 Power		
133	842.3 Gas Losses		
134	TOTAL Operation (Total of lines 128 thru 133)		
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures		
138	843.3 Maintenance of Gas Holders		
139	843.4 Maintenance of Purification Equipment		

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
140	843.5 Maintenance of Liquefaction Equipment		
141	843.6 Maintenance of Vaporizing Equipment		
142	843.7 Maintenance of Compressor Equipment		
143	843.8 Maintenance of Measuring and Regulating Equipment		
144	843.9 Maintenance of Other Equipment		
145	TOTAL Maintenance (Total of lines 138 thru 144)		
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)		
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering		
150	844.2 LNG Processing Terminal Labor and Expenses		
151	844.3 Liquefaction Processing Labor and Expenses		
152	844.4 Liquefaction Transportation Labor and Expenses		
153	844.5 Measuring and Regulating Labor and Expenses		
154	844.6 Compressor Station Labor and Expenses		
155	844.7 Communication System Expenses		
156	844.8 System Control and Load Dispatching		
157	845.1 Fuel		
158	845.2 Power		
159	845.3 Rents		
160	845.4 Demurrage Charges		
161	(less) 845.5 Wharfage Receipts-Credit		
162	845.6 Processing Liquefied or Vaporized Gas by Others		
163	846.1 Gas Losses		
164	846.2 Other Expenses		
165	TOTAL Operation (Total of lines 149 thru 164)		
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering		
168	847.2 Maintenance of Structures and Improvements		
169	847.3 Maintenance of LNG Processing Terminal Equipment		
170	847.4 Maintenance of LNG Transportation Equipment		
171	847.5 Maintenance of Measuring and Regulating Equipment		
172	847.6 Maintenance of Compressor Station Equipment		
173	847.7 Maintenance of Communication Equipment		
174	847.8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Total of lines 167 thru 174)		

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
176	TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 and 175)		
177	TOTAL Natural Gas Storage (Total of lines 125, 145, and 176)	(2)	(2)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	2,586	2,522
181	851 System Control and Load Dispatching		
182	852 Communication System Expenses		
183	853 Compressor Station Labor and Expenses		
184	854 Gas for Compressor Station Fuel		
185	855 Other Fuel and Power for Compressor Stations		
186	856 Mains Expenses		
187	857 Measuring and Regulating Station Expenses		
188	858 Transmission and Compression of Gas by Others		
189	859 Other Expenses	3,990	16,264
190	860 Rents		
191	TOTAL Operation (Total of lines 180 thru 190)	6,576	18,786
192	Maintenance		
193	861 Maintenance Supervision and Engineering		
194	862 Maintenance of Structures and Improvements		
195	863 Maintenance of Mains	170,323	451,821
196	864 Maintenance of Compressor Station Equipment		
197	865 Maintenance of Measuring and Regulating Station Equipment		
198	866 Maintenance of Communication Equipment		
199	867 Maintenance of Other Equipment		
200	TOTAL Maintenance (Total of lines 193 thru 199)	170,323	451,821
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	176,899	470,607
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering		
205	871 Distribution Load Dispatching	337,062	299,862
206	872 Compressor Station Labor and Expenses		
207	873 Compressor Station Fuel and Power		
208	874 Mains and Services Expenses	1,147,904	1,449,166
209	875 Measuring and Regulating Station Expenses-General	208,905	136,207
210	876 Measuring and Regulating Station Expenses-Industrial	48,235	32,838
211	877 Measuring and Regulating Station Expenses-City Gas Check Station		

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
212	878 Meter and House Regulator Expenses	547,643	427,848
213	879 Customer Installations Expenses	1,335,989	1,370,158
214	880 Other Expenses	1,903,858	1,540,332
215	881 Rents		
216	TOTAL Operation (Total of lines 204 thru 215)	5,529,596	5,264,509
217	Maintenance		
218	885 Maintenance Supervision and Engineering		
219	886 Maintenance of Structures and Improvements		
220	887 Maintenance of Mains	842,393	715,212
221	888 Maintenance of Compressor Station Equipment		
222	889 Maintenance of Measuring and Regulating Station Equipment-General	62,499	33,839
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial		
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station		
225	892 Maintenance of Services	983,076	958,307
226	893 Maintenance of Meters and House Regulators	48,306	113,732
227	894 Maintenance of Other Equipment	198,995	23,816
228	TOTAL Maintenance (Total of lines 218 thru 227)	2,135,269	1,844,906
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	7,664,865	7,109,415
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	138,170	167,421
233	902 Meter Reading Expenses	11,204	18,214
234	903 Customer Records and Collection Expenses	2,695,533	2,635,087
235	904 Uncollectible Accounts	295,003	43,338
236	905 Miscellaneous Customer Accounts Expenses	89	114
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	3,139,999	2,864,174
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision		
241	908 Customer Assistance Expenses	169,117	170,461
242	909 Informational and Instructional Expenses	4,106	4,324
243	910 Miscellaneous Customer Service and Informational Expenses	632,875	377,066
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	806,098	551,851
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision		

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
248	912 Demonstrating and Selling Expenses	73,217	342,661
249	913 Advertising Expenses	810	7,097
250	916 Miscellaneous Sales Expenses		
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	74,027	349,758
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	2,209,961	2,667,809
255	921 Office Supplies and Expenses	1,495,522	1,552,765
256	(Less) 922 Administrative Expenses Transferred-Credit		
257	923 Outside Services Employed	716,885	875,654
258	924 Property Insurance	69,755	73,882
259	925 Injuries and Damages	241,305	99,783
260	926 Employee Pensions and Benefits	1,296,914	2,348,909
261	927 Franchise Requirements		
262	928 Regulatory Commission Expenses	278,574	295,007
263	(Less) 929 Duplicate Charges-Credit	602,115	1,079,826
264	930.1General Advertising Expenses	47,886	58,570
265	930.2Miscellaneous General Expenses	194,932	281,152
266	931 Rents	856,088	723,702
267	TOTAL Operation (Total of lines 254 thru 266)	6,804,707	7,898,407
268	Maintenance		
269	932 Maintenance of General Plant	39,639	20,974
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	6,844,346	7,919,381
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	67,058,700	92,224,182

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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: ManufacturedGasProduction

	Q4 2023	Q4 2022
Gas Boiler Labor	0	194,230
Other Power Expenses	5,723	33,588
Liquified Petroleum Gas Expense	72,156	13,725
Liquified Petroleum Gas	0	1,257,303
Misc. Production Expense	3,267	93,080
Gas Raw Material - Rents	0	0
Total Operation:	81,146	1,591,566
Production Equipment	0	28,804
Total Maintenance:	0	28,804
Total Manufactured Gas Production:	81,146	1,620,370

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Exchange and Imbalance Transactions

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others Amount (b)	Gas Received from Others Dth (c)	Gas Delivered to Others Amount (d)	Gas Delivered to Others Dth (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total				

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit			
2	811 Gas Used for Products Extraction - Credit			
3	Gas Shrinkage and Other Usage in Respondent's Own Processing - Credit			
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others - Credit			
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Total			

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Transmission and Compression of Gas by Others (Account 858)

1. Report below details concerning gas transported or compressed for respondent by others equaling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.
2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (c)	Dth of Gas Delivered (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Total			

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of $250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	Total	

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of $250,000 or more however, amounts less than $250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (b)
1	Industry association dues.	812
2	Experimental and general research expenses	
2a	a. Gas Research Institute (GRI)	
2b	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Other expenses	
5	Business and Service Company Support	69,036
6	Dues and Subscriptions to Various Organizations	25,191
7	Director's Fees and Expenses	18,272
8	Shareholder's Communication/Systems	81,512
9	Account Analysis Reconciliation Adjustments	107
25	TOTAL	194,932

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.
3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.
4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)
1	Intangible plant				3,239,473			3,239,473
2	Production plant, manufactured gas	(13)						(13)
3	Production and Gathering Plant							
4	Products extraction plant							
5	Underground Gas Storage Plant (footnote details)							
6	Other storage plant							
7	Base load LNG terminaling and processing plant							
8	Transmission Plant							
9	Distribution plant	17,297,783						17,297,783
10	General Plant (footnote details)	100,228			982,135			1,082,363
11	Common plant-gas	94,025						94,025
12	Total	17,492,023			4,221,608			21,713,631

Name of Respondent:	This report is:	Date of Report:	Year/Period of Report:
Duke Energy Kentucky, Inc	(1) ☑ An Original (2) ☐ A Resubmission	04/25/2024	End of: 2023/ Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.
3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.
4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)	4,583	7.29%
9	Distribution Plant	478,079	2.24%
10	Other Storage Plant		
11	Intangible Plant	9,654	[illegible]0%
12	Gas - Manufactured Production Plant	7,702	7.9%

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

FOOTNOTE DATA

(a) Concept: AppliedDepreciationOrAmortizationRates

Intangible plant is amortized over 3, 5, 10, and 15 years.

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

a. Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.
b. Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $250,000 may be grouped by classes within the above accounts.
c. Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.
d. Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425 - Miscellaneous Amortization	
2		
3		
4		
5	TOTAL Account 425 - Miscellaneous Amortization	
6	Account 426.1 - Donations	
7	Customer Assistance Programs	74,992
8	Items Under Threshold	425,965
9	TOTAL Account 426.1 - Donations	500,957
10	Account 426.2 - Life Insurance	
11	Life Insurance Expense	
12	TOTAL Account 426.2 - Life Insurance	
13	Account 426.3 - Penalties	
14	Settlement Agreement	
15	Items Under Threshold	
16	TOTAL Account 426.3 - Penalties	
17	Account 426.4 Expenditures for Certain Civic, Political, and Related Activities	
18	Civil, Political & Related Activities	751,685
19	Total Account 426.4 - Expenditures for Certain Civic, Political, and Related Activities	751,685
20	Account 426.5 - Other Deductions	
21	Sale of A/R Fees	6,444,517
22	PPE Impairment	55,354
23	Items Under Treshold	142,584
24	TOTAL Account 426.5 - Other Deductions	6,642,455
25	Account 430 - Interest on Debt to Associated Companies	
26	Money Pool - Duke Energy Kentucky to Duke Energy Corporation	5,715,418

Line No.	Item (a)	Amount (b)
27	Money Pool - Duke Energy Kentucky to Duke Energy Progress	80,380
28	Money Pool - Duke Energy Kentucky to Duke Energy Carolinas	40,027
29	Money Pool - Duke Energy Kentucky to Duke Energy Florida	127,879
30	Money Pool - Duke Energy Kentucky to Piedmont Natural Gas	
31	Money Pool - Duke Energy Kentucky to Duke Energy Indiana	2,564
32	Money Pool - Duke Energy Kentucky to Duke Energy Ohio	196,456
33	Items Under Threshold	1
34	TOTAL Account 430 - Interest on Debt to Associated Companies	6,162,745
35	Account 431 - Other Interest Expense	
36	Swap Net Interest	93,970
37	Credit Facility	553,152
38	Interest-Assigned from Service Company	1,306,173
39	Customer Service Deposits @ 66% Annum	360,314
40	Coal Ash Equity Return	(191,511)
41	Items Under Threshold	92,415
42	TOTAL Account 431 - Other Interest Expense	2,214,513

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Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.
3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than $250,000) may be grouped.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1	Kentucky Public Service Commission:											
2	Regulatory Fee - Gas	175,357		175,357		Gas	928	175,357				
3	Regulatory Fee - Electric	576,839		576,839	177,504	Electric	928	576,839				177,504
4	Request for Rate Increase - Electric Case No. 2017-00321		78,890	78,890	63,790	Electric	928	78,890			78,890	(15,100)
5	Request for Rate Increase - Gas Case No. 2018-00261		51,031	51,031	158,278	Gas	928	51,031			51,031	107,247
6	Request for Rate Increase - Electric Case No. 2019-00271		67,833	67,833	180,284	Electric	928	67,833			67,833	112,451
7	Request for Rate Increase - Gas Case No. 2021-00190		44,939	44,939	302,639	Gas	928	44,939			44,939	257,700
8	Request for Rate Increase - Electric Case No. 2022-00372		15,676	15,676		Electric	928	15,676	497,110		27,359	469,751
9	Misc. Legal Expenses:											
10	Gas - Other		7,247	7,247		Gas	928	7,247				
11	Electric - Transmission		8,030	8,030		Electric	928	8,030				
12	Electric - Other		(3,724)	(3,724)		Electric	928	(3,724)				
25	TOTAL	752,196	269,922	1,022,118	882,495			1,022,118	497,110		270,052	1,109,553

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Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (in dollars) (b)
1	Pensions - defined benefit plans	(193,323)
2	Pensions - other	382,767
3	Post-retirement benefits other than pensions (PBOP)	(85,708)
4	Post-employment benefit plans	(46,022)
5	Other (Specify)	
6	Medical and Dental	435,595
7	Life Insurance	5,751
8	Service/Safety Awards	4,554
9	Other Work/Family Benefits/Tuition	1,894
10	Allocated S&E	
11	Benefits Distribution	755,607
12	Other	35,709
40	Total	1,296,814

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Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	4,653,352	2,662,341	246,356	7,562,049
4	Transmission	4,272	458,602	15,587	478,461
5	Distribution	639,665	996,811	55,108	1,691,584
6	Customer Accounts	93,119	1,555,621	55,521	1,704,261
7	Customer Service and Informational		800,981	20,973	827,954
8	Sales				
9	Administrative and General	(614,421)	8,209,316	255,757	7,850,652
10	TOTAL Operation (Total of lines 3 thru 9)	4,775,987	14,683,672	655,302	20,114,961
11	Maintenance				
12	Production	2,217,363	3,077,271		5,294,634
13	Transmission	28,234	179,376		207,610
14	Distribution	688,476	824,983		1,513,459
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)	2,934,073	4,081,630		7,015,703
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	6,870,715	5,739,612	246,356	12,856,683
19	Transmission (Total of lines 4 and 13)	32,505	637,978	15,587	686,071
20	Distribution (Total of lines 5 and 14)	1,328,141	1,821,794	55,108	3,205,043
21	Customer Accounts (line 6)	93,119	1,555,621	55,521	1,704,261
22	Customer Service and Informational (line 7)		800,981	26,973	827,954
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	(614,421)	8,209,316	255,757	7,850,652
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	7,710,060	18,765,302	655,302	27,130,664
26	Gas				
27	Operation				
28	Production - Manufactured Gas	72,156		315	72,471

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	496	345,832	1,514	347,842
31	Storage, LNG Terminaling and Processing				
32	Transmission				
33	Distribution	1,249,104	1,577,649	12,358	2,839,111
34	Customer Accounts	39,120	1,156,690	5,228	1,201,038
35	Customer Service and Informational		450,800	1,971	452,771
36	Sales				
37	Administrative and General	(293,422)	1,807,162	6,618	1,520,358
38	TOTAL Operation (Total of lines 28 thru 37)	1,067,454	5,338,133	28,004	6,433,591
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing				
44	Transmission				
45	Distribution	243,029	463,217		706,246
46	Administrative and General	21,582	8,377		29,959
47	TOTAL Maintenance (Total of lines 40 thru 46)	264,611	471,594		736,205
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)	72,156		315	72,471
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	496	345,832	1,514	347,842
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)	1,492,133	2,040,866	12,358	3,545,357
56	Customer Accounts (Total of line 34)	39,120	1,156,690	5,228	1,201,038
57	Customer Service and Informational (Total of line 35)		450,800	1,971	452,771
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	(271,840)	1,815,539	6,618	1,550,317
60	Total Operation and Maintenance (Total of lines 50 thru 59)	1,332,065	5,809,727	28,004	7,169,796
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	9,042,125	24,575,029	683,306	34,300,460
64	Utility Plant				
65	Construction (By Utility Departments)				

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
66	Electric Plant	5,656,707	8,701,413	722,831	15,080,951
67	Gas Plant	1,140,638	6,821,620	346,383	8,308,641
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	6,797,345	15,523,033	1,069,214	23,389,592
70	Plant Removal (By Utility Departments)				
71	Electric Plant	1,121,465	1,236,759		2,358,224
72	Gas Plant	209,367	500,713		710,080
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	1,330,832	1,737,472		3,068,304
75.1	Other Accounts (Specify)				
75.2	Projects For Duke's Subsidiaries & Merchandising		21,507		21,507
75.3	Other Work in Progress	(3,523,273)	3,774,025		250,752
75.4	Other Accounts	126,900	412,237		539,137
76	TOTAL Other Accounts	(3,396,373)	4,207,769		811,396
77	TOTAL SALARIES AND WAGES	13,773,829	46,043,303	1,752,520	61,569,752

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Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than $250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities. (a) Name of person or organization rendering services. (b) Total charges for the year.
2. Sum under a description "Other", all of the aforementioned services amounting to $250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned services.
4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	R B JERGENS CONTRACTORS INC	7,093,230
2	BURNS & MCDONNELL ENGINEERING CO INC	734,773
3	MCKINSEY & COMPANY INC - UNITED STATES	295,833
4	OROURKE WRECKING COMPANY	287,293
5	Other	2,289,405
6	TOTAL	10,700,534

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Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than $250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to $250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Services Provided by Duke Energy Business Services	Duke Energy Business Services LLC	Various	107,111,261
3	Customer & Market Services	Duke Energy Carolinas, LLC	Various	7,012,863
4	Generation Services	Duke Energy Carolinas, LLC	Various	1,021,564
5	Other Goods and Services	Duke Energy Carolinas, LLC	Various	1,180,583
6	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	1,359,231
7	Customer & Market Services	Duke Energy Progress, LLC	Various	142,928
8	Generation Services	Duke Energy Progress, LLC	Various	139,630
9	Other Goods and Services	Duke Energy Progress, LLC	Various	231,160
10	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	127,713
11	Customer & Market Services	Duke Energy Florida LLC	Various	249,767
12	Generation Services	Duke Energy Florida LLC	Various	23,156
13	Other Goods and Services	Duke Energy Florida LLC	Various	1,174
14	Transmission and Distribution Services	Duke Energy Florida LLC	Various	1,451
15	Customer & Market Services	Duke Energy Indiana, LLC	Various	167,959
16	Generation Services	Duke Energy Indiana, LLC	Various	17,943,514
17	Other Goods and Services	Duke Energy Indiana, LLC	Various	193,091
18	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	91,577
19	Customer & Market Services	Duke Energy Ohio, LLC	Various	1,146,950
20	Gas Distribution Services	Duke Energy Ohio, LLC	Various	1,805,645
21	Other Goods and Services	Duke Energy Ohio, LLC	Various	1,590,389
22	Transmission and Distribution Services	Duke Energy Ohio, LLC	Various	8,633,907
23	Gas Distribution Services	Duke Energy Ohio Com Power	Various	834
24	Transmission and Distribution Services	Duke Energy Ohio Com Power	Various	37,567
25	Gas Distribution Services	Piedmont Natural Gas Company Inc	Various	20,110,670
26	Other Goods and Services	Duke Energy Commercial Enterprises	Various	142
27	Other Goods and Services	Duke Energy Carolinas, LLC	Various	

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
28	Gas Distribution Services	Duke Energy Progress, LLC	Various	
29	Transmission and Distribution Services	Duke Energy Business Services LLC	Various	
19	TOTAL			
20	Goods or Services Provided for Affiliated Company			
21	Customer and Market Services	Duke Energy Carolinas, LLC	Various	(13)
22	Gas Distribution Services	Duke Energy Carolinas, LLC	Various	284
23	Generation Services	Duke Energy Carolinas, LLC	Various	1,204
24	Other Goods and Services	Duke Energy Carolinas, LLC	Various	
25	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	3,224
26	Customer and Market Services	Duke Energy Progress, LLC	Various	4
27	Gas Distribution Services	Duke Energy Progress, LLC	Various	
28	Generation Services	Duke Energy Progress, LLC	Various	398
29	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	2,725
30	Customer and Market Services	Duke Energy Florida, LLC	Various	4
31	Generation Services	Duke Energy Florida, LLC	Various	598
32	Other Goods and Services	Duke Energy Florida, LLC	Various	111
33	Transmission and Distribution Services	Duke Energy Florida, LLC	Various	125,322
34	Transmission and Distribution Services	Duke Energy Business Services LLC	Various	
35	Customer and Market Services	Duke Energy Indiana, LLC	Various	2
36	Gas Distribution Services	Duke Energy Indiana, LLC	Various	3,300
37	Generation Services	Duke Energy Indiana, LLC	Various	695,329
38	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	50,479
39	Customer & Market Services	Duke Energy Ohio, Inc	Various	196,151
40	Gas Distribution Services	Duke Energy Ohio, Inc	Various	1,132,632
41	Other Goods and Services	Duke Energy Ohio, Inc	Various	313,492
42	Transmission and Distribution Services	Duke Energy Ohio, Inc	Various	1,574,353
43	Generation Services	Duke Energy Ohio, Inc	Various	4,763
44	Gas Distribution Services	KO Transmission Company	Various	655
45	Transmission and Distribution Services	Piedmont Natural Gas Company, Inc.	Various	58
46	Gas Distribution Services	Piedmont Natural Gas Company, Inc.	Various	348
40	TOTAL			

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FOOTNOTE DATA

(a) Concept: DescriptionOfTheGoodOrService

When an employee of the Service Company performs services for a Client Company, costs will be directly assigned or distributed or allocated. For allocated services, the allocation method will be on a basis reasonably related to the service performed. The Service Company Utility Service Agreement prescribes 23 Service Company functions and approximately 20 allocation methods.

Functions and Allocation Methods:

Information Systems
Number of Central Processing Unit Seconds Ratio/Millions of Instructions per Second
Number of Personal Computer Workstations Ratio
Number of Information Systems Servers Ratio

Number of Employees Ratio
Meters
Number of Customers Ratio
Transportation
Number of Employees Ratio
Three Factor Formula
Electric System Maintenance
Circuit Miles of Electric Transmission Lines Ratio
Circuit Miles of Electric Distribution Lines Ratio
Marketing and Customer Relations and Grid Solutions
Number of Customers Ratio
Electric Transmission & Distribution Engineering & Construction
Electric Transmission Plant's Construction - Expenditures Ratio
Electric Distribution Plant's Construction - Expenditures Ratio
Power Engineering & Construction
Electric Production Plant's Construction - Expenditures Ratio
Human Resources
Number of Employees Ratio
Supply Chain
Procurement Spending Ratio
Inventory Ratio
Facilities
Square Footage Ratio
Accounting
Three Factor Formula
Generating Unit MW Capability Ratio
Power Planning and Operations
Electric Peak Load Ratio
Weighted Avg of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio
Sales Ratio
Weighted Avg of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio
Generating Unit MW Capability Ratio
Public Affairs
Three Factor Formula
Weighted Avg of Number of Customers Ratio and Number of Employees Ratio
Legal
Three Factor Formula
Rates
Sales Ratio
Finance
Three Factor Formula
Rights of Way
Circuit Miles of Electric Transmission Lines Ratio
Circuit Miles of Electric Distribution Lines Ratio
Electric Peak Load Ratio
Internal Auditing

Three Factor Formula
Environmental, Health and Safety
Three Factor Formula
Sales Ratio
Fuels
Sales Ratio
Investor Relations
Three Factor Formula
Planning
Three Factor Formula
Executive
Three Factor Formula

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Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.
2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name and Location of Compressor Station (a)	Compressor Type (b)	Number of Units at Compressor Station (c)	Certificated Horsepower for Each Compressor Station (d)	Plant Cost (e)	Expenses (except depreciation and taxes) Fuel (f)	Expenses (except depreciation and taxes) Power (g)	Expenses (except depreciation and taxes) Other (h)	Gas for Compressor Fuel in Dth (i)	Electricity for Compressor Station in kWh (j)	Operational Data Total Compressor Hours of Operation During Year (k)
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25	Total										

Line No.	Operational Data Number of Compressors Operated at Time of Station Peak (l)	Date of Station Peak (m)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

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Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March			
5	April			
6	May			
7	June			
8	July			
9	August			
10	September			
11	October			
12	November			
13	December			
14	TOTAL (Total of lines 2 thru 13)			
15	Gas Withdrawn from Storage			
16	January			
17	February			
18	March			
19	April			
20	May			
21	June			
22	July			
23	August			
24	September			
25	October			
26	November			
27	December			
28	TOTAL (Total of lines 16 thru 27)			

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Gas Storage Projects

1. On line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of line 1 and 2)	
4	Certificated Storage Capacity	
5	Number of Injection - Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

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Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines as True or False, in column (d) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	State (b)	Operation Type (c)	Indication of Ownerships (d)	Total Miles of Pipe (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
25	TOTAL				

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description (a)	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date(s):			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6	Other (Specify)			
6.1				
7	TOTAL			
8	Volumes of gas Withdrawn form Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Specify)			
12.1				
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Specify)			
17.1				
18	TOTAL			
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Date(s):			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Specify)			

Line No.	Description (a)	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
25.1				
26	TOTAL			
27	Volumes of gas Withdrawn form Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Specify)			
31.1				
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Specify)			
36.1				
37	TOTAL			

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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Auxiliary Peaking Facilities

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery? (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery? (e)
28					
29					
30					

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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only (d)
1	Name of System			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		9,613,850	
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	11,798,453	
6	Gas of Others Received for Distribution (Account 489.3)	301	4,639,301	
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)			
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)			
15.1	Other Receipts			
16	Total Receipts (Total of lines 3 thru 15)		26,051,604	
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		8,971,578	
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	11,798,453	

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only (d)
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	4,472,922	
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509		
29	Other Deliveries and Gas Used for Other Operations			
29.1	Other Deliveries		2,463	
30	Total Deliveries (Total of lines 18 thru 29)		25,245,416	
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		806,188	
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		26,051,604	

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Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (n) and (o).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 1							
						Amount Collected (Dollars)			
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14., PAGE 520)								
2	Gathering								
3	Production/Extraction/Processing								
4	Transmission								
5	Distribution								
6	Storage								
7	Total Shipper Supplied Gas								
	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)								
9	Gathering								
10	Production/Extraction/Processing								
11	Transmission								
12	Distribution								
13	Storage								
14	Total gas used in compressors								
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)								
16	Gathering								
17	Production/Extraction/Processing								
18	Transmission								
19	Distribution								
20	Storage								
21	Other Deliveries (specify) (footnote details)								
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations								
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)								
24	Gathering								
25	Production/Extraction/Processing								
26	Transmission								
27	Distribution								
28	Storage								
29	Other Losses (specify) (footnote details)								
30	Total Gas Lost And Unaccounted For								
30.1	NET EXCESS OR (DEFICIENCY)								
31	Other Losses								
32	Gathering								

Line No.	Item (a)	Month 1							
						Amount Collected (Dollars)			
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)
33	Production/Extraction/Processing								
34	Transmission								
35	Distribution								
36	Storage								
37	Total Net Excess Or (Deficiency)								
38	DISPOSITION OF EXCESS GAS:								
39	Gas sold to others								
40	Gas used to meet imbalances								
41	Gas added to system gas								
42	Gas returned to shippers								
43.1									
43.2									
43.3									
43.4									
43.5									
43.6									
43.7									
43.8									
51	Total Disposition Of Excess Gas								
52	GAS ACQUIRED TO MEET DEFICIENCY:								
53	System gas								
54	Purchased gas								
55.1									
55.2									
55.3									
55.4									
55.5									
55.6									
55.7									
55.8									
55.9									
55.10									
65	Total Gas Acquired To Meet Deficiency								

Line No.	Item (a)	Month 1					
		Volume (in Dth) Not Collected					
		Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)	Account(s) Debited (n)	Account(s) Credited (o)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)						
2	Gathering						
3	Production/Extraction/Processing						
4	Transmission						
5	Distribution						
6	Storage						
7	Total Shipper Supplied Gas						
	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)						
9	Gathering						
10	Production/Extraction/Processing						
11	Transmission						
12	Distribution						
13	Storage						
14	Total gas used in compressors						
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)						
16	Gathering						
17	Production/Extraction/Processing						
18	Transmission						
19	Distribution						
20	Storage						
21	Other Deliveries (specify) (footnote details)						
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations						
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)						
24	Gathering						
25	Production/Extraction/Processing						
26	Transmission						
27	Distribution						
28	Storage						
29	Other Losses (specify) (footnote details)						
30	Total Gas Lost And Unaccounted For						
30.1	NET EXCESS OR (DEFICIENCY)						
31	Other Losses						
32	Gathering						

Line No.	Item (a)	Month 1					
		Volume (in Dth) Not Collected					
		Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)	Account(s) Debited (n)	Account(s) Credited (o)
33	Production/Extraction/Processing						
34	Transmission						
35	Distribution						
36	Storage						
37	Total Net Excess Or (Deficiency)						
38	DISPOSITION OF EXCESS GAS:						
39	Gas sold to others						
40	Gas used to meet imbalances						
41	Gas added to system gas						
42	Gas returned to shippers						
43.1							
43.2							
43.3							
43.4							
43.5							
43.6							
43.7							
43.8							
51	Total Disposition Of Excess Gas						
52	GAS ACQUIRED TO MEET DEFICIENCY:						
53	System gas						
54	Purchased gas						
55.1							
55.2							
55.3							
55.4							
55.5							
55.6							
55.7							
55.8							
55.9							
55.10							
65	Total Gas Acquired To Meet Deficiency						

SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT		
Line No.	Item (a)	Quarter Dth (b)
66	Forwardhaul Volume in Dths for the Quarter	
67	Backhaul Volume in Dths for the Quarter	
68	TOTAL (Lines 66 and 67)	

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (n) and (o).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 2							
						Amount Collected (Dollars)			
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)								
2	Gathering								
3	Production/Extraction/Processing								
4	Transmission								
5	Distribution								
6	Storage								
7	Total Shipper Supplied Gas								
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)								
9	Gathering								
10	Production/Extraction/Processing								
11	Transmission								
12	Distribution								
13	Storage								
14	Total gas used in compressors								
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)								
16	Gathering								
17	Production/Extraction/Processing								
18	Transmission								
19	Distribution								
20	Storage								
21	Other Deliveries (specify) (footnote details)								
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations								
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)								
24	Gathering								
25	Production/Extraction/Processing								
26	Transmission								
27	Distribution								
28	Storage								
29	Other Losses (specify) (footnote details)								
30	Total Gas Lost And Unaccounted For								
30.1	NET EXCESS OR (DEFICIENCY)								
31	Other Losses								
32	Gathering								

Line No.	Item (a)	Month 2							
						Amount Collected (Dollars)			
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)
33	Production/Extraction/Processing								
34	Transmission								
35	Distribution								
36	Storage								
37	Total Net Excess Or (Deficiency)								
38	DISPOSITION OF EXCESS GAS:								
39	Gas sold to others								
40	Gas used to meet imbalances								
41	Gas added to system gas								
42	Gas returned to shippers								
43.1									
43.2									
43.3									
43.4									
43.5									
43.6									
43.7									
43.8									
51	Total Disposition Of Excess Gas								
52	GAS ACQUIRED TO MEET DEFICIENCY:								
53	System gas								
54	Purchased gas								
55.1									
55.2									
55.3									
55.4									
55.5									
55.6									
55.7									
55.8									
55.9									
55.10									
65	Total Gas Acquired To Meet Deficiency								

Line No.	Item (a)	Month 2					
		Volume (in Dth) Not Collected				Account(s) Debited (n)	Account(s) Credited (o)
		Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)		
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14., PAGE 520)						
2	Gathering						
3	Production/Extraction/Processing						
4	Transmission						
5	Distribution						
6	Storage						
7	Total Shipper Supplied Gas						
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)						
9	Gathering						
10	Production/Extraction/Processing						
11	Transmission						
12	Distribution						
13	Storage						
14	Total gas used in compressors						
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)						
16	Gathering						
17	Production/Extraction/Processing						
18	Transmission						
19	Distribution						
20	Storage						
21	Other Deliveries (specify) (footnote details)						
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations						
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)						
24	Gathering						
25	Production/Extraction/Processing						
26	Transmission						
27	Distribution						
28	Storage						
29	Other Losses (specify) (footnote details)						
30	Total Gas Lost And Unaccounted For						
30.1	NET EXCESS OR (DEFICIENCY)						
31	Other Losses						
32	Gathering						

Line No.	Item (a)	Month 2					
		Volume (in Dth) Not Collected				Account(s) Debited (n)	Account(s) Credited (o)
		Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)		
33	Production/Extraction/Processing						
34	Transmission						
35	Distribution						
36	Storage						
37	Total Net Excess Or (Deficiency)						
38	DISPOSITION OF EXCESS GAS:						
39	Gas sold to others						
40	Gas used to meet imbalances						
41	Gas added to system gas						
42	Gas returned to shippers						
43.1							
43.2							
43.3							
43.4							
43.5							
43.6							
43.7							
43.8							
51	Total Disposition Of Excess Gas						
52	GAS ACQUIRED TO MEET DEFICIENCY:						
53	System gas						
54	Purchased gas						
55.1							
55.2							
55.3							
55.4							
55.5							
55.6							
55.7							
55.8							
55.9							
55.10							
65	Total Gas Acquired To Meet Deficiency						

Name of Respondent: Duke Energy Kentucky, Inc	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (n) and (o).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 3							
						Amount Collected (Dollars)			
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)								
2	Gathering								
3	Production/Extraction/Processing								
4	Transmission								
5	Distribution								
6	Storage								
7	Total Shipper Supplied Gas								
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)								
9	Gathering								
10	Production/Extraction/Processing								
11	Transmission								
12	Distribution								
13	Storage								
14	Total gas used in compressors								
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)								
16	Gathering								
17	Production/Extraction/Processing								
18	Transmission								
19	Distribution								
20	Storage								
21	Other Deliveries (specify) (footnote details)								
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations								
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)								
24	Gathering								
25	Production/Extraction/Processing								
26	Transmission								
27	Distribution								
28	Storage								
29	Other Losses (specify) (footnote details)								
30	Total Gas Lost And Unaccounted For								
30.1	NET EXCESS OR (DEFICIENCY)								
31	Other Losses								
32	Gathering								

Line No.	Item (a)	Month 3							
						Amount Collected (Dollars)			
		Discounted rate Dth (b)	Negotiated Rate Dth (c)	Recourse Rate Dth (d)	Total Dth (e)	Discounted Rate, Amount (f)	Negotiated Rate Amount (g)	Recourse rate Amount (h)	Total Amount (i)
33	Production/Extraction/Processing								
34	Transmission								
35	Distribution								
36	Storage								
37	Total Net Excess Or (Deficiency)								
38	DISPOSITION OF EXCESS GAS:								
39	Gas sold to others								
40	Gas used to meet imbalances								
41	Gas added to system gas								
42	Gas returned to shippers								
43.1									
43.2									
43.3									
43.4									
43.5									
43.6									
43.7									
43.8									
51	Total Disposition Of Excess Gas								
52	GAS ACQUIRED TO MEET DEFICIENCY:								
53	System gas								
54	Purchased gas								
55.1									
55.2									
55.3									
55.4									
55.5									
55.6									
55.7									
55.8									
55.9									
55.10									
65	Total Gas Acquired To Meet Deficiency								

Line No.	Item (a)	Month 3					
		Volume (in Dth) Not Collected				Account(s) Debited (n)	Account(s) Credited (o)
		Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)		
1	SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)						
2	Gathering						
3	Production/Extraction/Processing						
4	Transmission						
5	Distribution						
6	Storage						
7	Total Shipper Supplied Gas						
8	LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)						
9	Gathering						
10	Production/Extraction/Processing						
11	Transmission						
12	Distribution						
13	Storage						
14	Total gas used in compressors						
15	LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)						
16	Gathering						
17	Production/Extraction/Processing						
18	Transmission						
19	Distribution						
20	Storage						
21	Other Deliveries (specify) (footnote details)						
22	Total Gas Used For Other Deliveries And Gas Used For Other Operations						
23	LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)						
24	Gathering						
25	Production/Extraction/Processing						
26	Transmission						
27	Distribution						
28	Storage						
29	Other Losses (specify) (footnote details)						
30	Total Gas Lost And Unaccounted For						
30.1	NET EXCESS OR (DEFICIENCY)						
31	Other Losses						
32	Gathering						

Line No.	Item (a)	Month 3					
		Volume (in Dth) Not Collected					
		Waived Dth (j)	Discounted Dth (k)	Negotiated Dth (l)	Total Dth (m)	Account(s) Debited (n)	Account(s) Credited (o)
33	Production/Extraction/Processing						
34	Transmission						
35	Distribution						
36	Storage						
37	Total Net Excess Or (Deficiency)						
38	DISPOSITION OF EXCESS GAS:						
39	Gas sold to others						
40	Gas used to meet imbalances						
41	Gas added to system gas						
42	Gas returned to shippers						
43.1							
43.2							
43.3							
43.4							
43.5							
43.6							
43.7							
43.8							
51	Total Disposition Of Excess Gas						
52	GAS ACQUIRED TO MEET DEFICIENCY:						
53	System gas						
54	Purchased gas						
55.1							
55.2							
55.3							
55.4							
55.5							
55.6							
55.7							
55.8							
55.9							
55.10							
65	Total Gas Acquired To Meet Deficiency						

Name of Respondent: Duke Energy Kentucky, Inc.	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/25/2024	Year/Period of Report: End of: 2023/ Q4

System Maps

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps: (a) Transmission lines. (b) Incremental facilities. (c) Location of gathering areas. (d) Location of zones and rate areas. (e) Location of storage fields. (f) Location of natural gas fields. (g) Location of compressor stations. (h) Normal direction of gas flow (indicated by arrows). (i) Size of pipe. (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc. (k) Principal communities receiving service through the respondent's pipeline.
3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger then this report. Bind the maps to the report.

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