KyPSC Case No. 2026-00296
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VERIFICATION

STATE OF NORTH CAROLINA)
) **SS:**
COUNTY OF MECKLENBURG)

The undersigned, Thomas J. Heath, Jr., Corporate Finance Director, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests and that the answers contained therein are true and correct to the best of his knowledge, information, and belief.

Thomas J. Heath, Jr., Affiant

Subscribed and sworn to before me by Thomas J. Heath, Jr. on this 21st day of October, 2026.

NOTARY PUBLIC

My Commission Expires: 01/21/29

TERESA RAY
My Commission Expires
NOTARY
PUBLIC
01-21-29
UNION COUNTY, NC

Duke Energy Kentucky
Case No. 2026-00296
STAFF First Request for Information
Date Received: October 19, 2026

STAFF-DR-01-001

REQUEST:

Refer to the Application, generally.

a. Explain the extent to which Duke Kentucky's capital structure would change as a result of the proposed financing.

b. Provide Duke Kentucky's anticipated capital structure once the proposed financing has been completed and all existing short-term and expiring long-term debt has been repaid.

RESPONSE:

Duke Energy Kentucky's capital structure will not change significantly as a result of the proposed financings outline in its financing application. Duke Energy Kentucky will finance its capital expenditures in a balanced manner using equity and debt in accordance with the capital structure authorized by the Commission. The authorized capital structure is 52.73 percent equity, 47.27 percent debt (including long-term and short-term debt) as established in the Commission's Order in Case No. 2024-00354.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

Duke Energy Kentucky
Case No. 2026-00296
STAFF First Request for Information
Date Received: October 19, 2026

STAFF-DR-01-002

REQUEST:

Refer to the Application, page 2. Clarify whether the aggregate principal amount of $76,720,000 of Authority tax exempt revenue bonds (Authority Bonds) is included within the $350 million proposed long-term debt issuance, or in addition to it.

RESPONSE:

The $76,720,000 related to Authority Bonds is in addition to the $350 million proposed long-term debt issuance. The $76,720,000 is intended to provide for the expected remarketing of currently outstanding Authority Bonds which have a maturity date of August 1, 2027, and not to fund a portion of Duke Energy Kentucky's capital expenditures. The $350 million proposed long-term debt issuance is intended to fund a portion of Duke Energy Kentucky's capital expenditures and to refinancing maturities of long-term debt, excluding Authority Bonds.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

Duke Energy Kentucky
Case No. 2026-00296
STAFF First Request for Information
Date Received: October 19, 2026

STAFF-DR-01-003

REQUEST:

Refer to the Application, page 4, where Duke Kentucky proposed to either sell the Securities to one or more purchasers or underwriters through negotiated offerings, or sell the Securities through a competitive bid process. Explain in detail which method of issuances provides Duke Kentucky with the most favorable conditions.

RESPONSE:

Neither method of issuance is automatically superior to the other. Duke Energy Kentucky is requesting flexibility to use either method depending on market conditions at the time of each offering. This flexibility gives Duke Energy Kentucky the opportunity to achieve the most favorable financing terms on a transaction-by-transaction basis, rather than committing in advance to one method. In addition, please refer to Section VI. CAPITAL MARKET ALTERNATIVES AND APPLICABILITY TO DUKE ENERGY KENTUCKY of the Direct Testimony of Thomas J. Heath, Jr., filed in Case No. 2024-00354 for additional information related to financing options available to Duke Energy Kentucky.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

Duke Energy Kentucky
Case No. 2026-00296
STAFF First Request for Information
Date Received: October 19, 2026

STAFF-DR-01-004

REQUEST:

Refer to the Application, page 9, paragraph 4. Duke Kentucky is requesting up to $350 million in principal financing through December 31, 2028. However, the estimated future capital expenditures related to gas delivery and electric generation, transmission, and distribution businesses total approximately $744 million through the end of 2028. Explain how Duke Energy intends to fund the approximate $394 million in excess of the proposed financing.

RESPONSE:

As discussed in response to STAFF-DR-01-001, Duke Energy Kentucky will finance its capital expenditures in a balanced manner using equity and debt in accordance with the capital structure authorized by the Commission. (52.73 percent equity, 47.27 percent debt). The requested financing authority of $350 million is approximately 47% of Duke Energy Kentucky's estimated future capital expenditures through 2028. The remaining capital expenditures will be funded through retained earnings and equity infusions from Duke Energy Ohio, if necessary.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.

Duke Energy Kentucky
Case No. 2026-00296
STAFF First Request for Information
Date Received: October 19, 2026

STAFF-DR-01-005

REQUEST:

Refer to the Application, page 9, paragraph 4. Provide a schedule identifying the anticipated amount of the requested $350 million in financing authority that Duke Kentucky expects to use for each of the following purposes:

a. Repayment of short-term or expiring long-term indebtedness;

b. Early redemption or repayment at maturity of long-term debt;

c. Other expenditures contemplated by KRS 278.300; and

d. Other lawful corporate purposes.

e. For each category, identify the estimated amount and describe the specific debt obligations or expenditures to be funded, consistent with the level of detail provided for capital expenditures.

RESPONSE:

Duke Energy Kentucky has $76,720,000 of Authority Bonds due August 1, 2027, which it expects to remarket prior to their maturity date. As stated in response to STAFF-DR-01-002, the $76,720,000 related to the expected remarketing is in addition to the $350 million financing authority related to long-term debt issuances requested in this docket. Duke Energy Kentucky has $40 million of 4.180% unsecured bonds due October 15, 2028, the refinancing of which is included in the $350 million financing authority related to long-term debt issuances requested in this docket. Duke Energy Kentucky typically funds obligations with short-term debt before issuing long-term debt. The amount of short-term

debt outstanding at any time will be dependent upon a variety of factors, including the timing of long-term debt maturities and issuances, and the impact of fluctuations in cash flows from operations.

PERSON RESPONSIBLE: Thomas J. Heath, Jr.