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> Rocco O. D'Ascenzo Deputy General Counsel



VIA OVERNIGHT DELIVERY

August 13, 2018

Ms. Gwen R. Pinson Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602-0615 AUG 1 4 2018 PUBLIC SERVICE

COMMISSION

Re: Case No. 2011-00124 In the Matter of the Joint Application of Duke Energy Corporation, Cinergy Corp., Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc. for Approval of the Indirect Transfer of Control of Duke Energy Kentucky, Inc.

Dear Ms. Pinson:

Enclosed please find Duke Energy Kentucky's financial statements for the end of June, 2018, per order by the Commission in the above-referenced case.

Please file-stamp the extra copy of this letter and return to me in the enclosed return-addressed envelope.

If you have any questions regarding the financial statements, please contact Anna Anderson at 980-373-2179.

Very Truly Yours,

Rocco O. D'Ascenzo

Enclosures

RECEIVED

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements Balance Sheet - Page 1 As of June 30, 2018 (Unaudited)

AUG 1 4 2018 PUBLIC SERVICE

COMMISSION

	Electric	Gas	Non-	Total
A +-	Jurisdictional	Jurisdictional	Jurisdictional	Company
Assets	1 779 570 444	520 400 202	12 406 082	2 225 475 540
Utility Plant in Service Construction Work in Progress	1,773,570,144 65,742,695	539,409,292 14,259,077	12,496,083	2,325,475,519
Less: Accumulated Depreciation	(825,478,363)	(171,045,168)	(7 733 537)	80,001,772 (1,004,256,068)
· · · · ·	1,013,834,476	382,623,201	<u>(7,732,537)</u> 4,763,546	1,401,221,223
Net Utility Plant	1,013,034,470	302,023,201	4,703,340	1,401,221,223
Nonutility Property	-	-	325,107	325,107
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	8,556,406	8,556,406
Long Term Portion of Derivative Instrument Assets	<u> </u>		366,891	366,891
Total Other Property & Investments		· · · · ·	9,249,904	9,249,904
Cash	950,616	390,287	(71,181)	1,269,722
Working Funds	550,010	550,207	(71,101)	1,203,722
Temporary Cash Investments		_	_	-
Customer Accounts Receivable	4,661,360	1,295,363		5,956,723
Other Accounts Receivable	2,297,217	943,151	(172,012)	3,068,356
Less: Provision for Uncollectibles	(173,641)	(48,254)	(172,012)	(221,895)
Notes Receivable from Assoc. Co.	10,865,914	4,461,138	(813,623)	14,513,429
Accounts Receivable from Assoc. Co.	304,872	125,169	(22,828)	407,213
Fuel Stock	16,454,725	955,591	1,774,670	19,184,986
Gas Stored Underground Inventory		2,359,766	-	2,359,766
Plant Materials & Operating Supplies	17,169,099	326,363	-	17,495,462
Other Materials & Supplies	-	-	_	-
Stores Expense Undistributed	691,169	13,138	-	704,307
Prepayments	839,475	397,412	-	1,236,887
Emission Allowances	29,733	-	-	29,733
Derivative Instrument Assets	8,994,011	-	-	8,994,011
Interest & Dividends Receivable		-	-	
Misc Current and Accrued Assets	6,665,825	-	-	6,665,825
Rents Receivable	7,584	-	-	7,584
Total Current & Accrued Assets	69,757,959	11,219,124	695,026	81,672,109
Unexe dia d Date France -	4 504 400	0.44,000	(110.017)	0.005.500
Unamortized Debt Expense	1,561,423	641,062	(116,917)	2,085,568
Other Regulatory Assets	121,169,215	14,966,365	-	136,135,580
Preliminary Survey & Investigation	69,252	28,432	(5,185)	92,499
Clearing Accounts	15,354	5,944	-	21,298
Temporary Facilities	2,000,000	4 074 400	(224,994)	4 400 000
Miscellaneous Deferred Debits	3,096,806	1,271,433	(231,884)	4,136,355
Unamortized Loss on Reacquired Debt	790,003	324,346	(59,154)	1,055,195
Accumulated Deferred Income Taxes Unrecovered Purchased Gas Costs	46,528,906	15,373,252	-	61,902,158 (195,774)
Total Deferred Debits	173,230,959	<u>(195,774)</u> 32,415,060	(413,140)	(195,774) 205,232,879
	173,230,939	32,410,000	(413,140)	200,202,679
TOTAL ASSETS AND OTHER DEBITS	1,256,823,394	426,257,385	14,295,336	1,697,376,115
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Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements Balance Sheet - Page 2 As of June 30, 2018 (Unaudited)

Proprietary Capital Common Stock Issued 6,573,407 2,698,795 (492,207) 8,779,995 Premium on Capital Stock 14,104,342 6,779,0715 (1,058,111) 18,838,946 Other Pacin Capital Stock 144,729,167 61,062,632 (11,138,610) 186,655,189 Retained Earnings 282,939,444 37,520,055 22,860,479 343,420,001 Accumulated Other Comprehensive Income 452,346,380 107,172,200 10,175,551 568,694,131 Liabilities 319,476,729 131,165,194 (23,921,923) 426,720,000 Advances from Associated Companies 16,717,000 7,684,500 (14,01,500) 25,000,000 Less: Unamorized Discount on Long-Term Debt 337,996,332 138,768,671 (25,308,646) 451,456,027 Obligations Under Capital Leases - Noncurrent 21,22,859 87,391 - 300,260 Accurm Misco, Operating Provisions 2,686,436 10,39,12 - 3,726,348 Long-Term Debt 327,996,332 11,68,648 10,39,12 - 3,726,348 Long-Term Portion of Derivative Instrument Liabilities <th></th> <th>Electric Jurisdictional</th> <th>Gas Jurisdictional</th> <th>Non- Jurisdictional</th> <th>Total Company</th>		Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
Permium on Capital Stock 14,104,342 7,570,715 (1,056,111) 18,838,946 Other Paicin Capital Stock 144,723,167 61,062,005 22,860,479 343,420,001 Accumulated Other Comprehensive Income 22,939,464 37,620,055 22,860,479 343,420,001 Accumulated Other Comprehensive Income 452,346,380 107,172,200 10,175,551 568,694,131 Liabilities 319,476,729 131,165,194 (23,921,923) 426,720,000 Advances from Associated Companies 18,717,000 7,864,800 (14,015,600) 25,000,000 Liabilities 337,996,382 138,676,671 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 212,859 87,391 300,250 Asset Retirement Obligation 52,152,636 7,576,445 59,709,441 Long-Term Potion of Derivative Instrument Liabilities 2,686,437 28,860,745 28,860,745 Total Other Nocurrent Liabilities 2,847,353 11,695,641 (2,13,089) 38,060,105 Accounts Payable 0,820,75 28,860,745 9,226,96,824 28,967	Proprietary Capital				·····
Other Paid-In Capital Stock 148,729,167 61,062,632 (11,136,610) 198,655,169 Retained Earnings 282,939,464 37,620,056 22,860,479 343,420,001 Accumulated Other Comprehensive Income 452,346,380 107,172,200 10,175,551 566,684,131 Liabilities 300,456 319,476,729 131,165,194 (23,921,923) 426,720,000 Advances from Associated Companies 16,717,000 7,684,500 (1,401,500) 25,000,000 Less: Unamonized Discount on Long-Term Debt 337,996,382 138,768,671 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 212,859 87,391 - 300,250 Asset Retirement Obligation 52,132,636 7,576,845 - 59,709,481 Long-Term Portion of Derivative Instrument Liabilities 2,686,436 1,69,762,233 - 92,696,824 Accounts Payable 28,487,353 11,895,841 (2,133,089) 38,050,105 Nates Payable to Assoc. Co. 54,070,143 3,986,775 - 92,696,824 Customer Deposits 5,901,345 <td>Common Stock Issued</td> <td>6,573,407</td> <td>2,698,795</td> <td>(492,207)</td> <td>8,779,995</td>	Common Stock Issued	6,573,407	2,698,795	(492,207)	8,779,995
Retained Earnings 282,939,464 37,620,058 22,860,479 343,420,001 Accumulated Other Comprehensive Income 452,346,380 107,172,200 10,175,551 569,694,131 Liabilities Bonds 319,476,729 131,165,194 (23,921,923) 425,720,000 Advances from Associated Companies 18,717,000 7,684,500 (14,01,500) 25,000,000 Less: Unamortized Discount on Long-Term Debt 337,996,382 138,768,671 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 221,2859 87,391 - 300,250 Accum, Misc. Operating Provisions 2,686,456 1,039,912 - 3,728,348 Accum, Misc. Operating Provisions 2,686,456 1,039,912 - 3,728,348 Accumts Payable 0x6,877,576,445 - 98,709,441 2,133,089 38,050,105 Notes Payable to Assoc. Co. 56,070,143 2,20,003 (4,188,444) 7,482,000 Accounts Payable to Assoc. Co. 9,454,831 9,887,75 - 9,870,102 Taxx collections Payable 1,0726,218<	Premium on Capital Stock	14,104,342	5,790,715	(1,056,111)	18,838,946
Accumulated Other Comprehensive Income Total Proprietary Capital 452,346,380 107,172,200 10,175,551 569,684,131 Liabilities Bonds 319,476,729 131,165,194 (23,921,923) 426,720,000 Advances from Associated Companies 18,717,000 7,684,500 (1,401,500) 25,000,000 Less: Unamortized Discount on Long-Term Debt 337,996,382 138,766,771 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 212,859 87,391 - 300,250 Accum. Mico, Operating Provisions 2,686,436 1,039,912 - 37,28,348 Accum. Mico, Operating Provisions 2,686,436 1,039,912 - 32,2896,824 Accounts Payable 28,487,75 8,082,075 - 92,896,824 Accounts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Naccounts Payable 28,487,353 11,695,841,800 (707,983) 12,626,686 Customer Deposits 5,901,345 3,968,775 - 9,470,120 - 9,470,120 Tax Collections Payable 1,278,86	Other Paid-in Capital Stock	148,729,167	61,062,632	(11,136,610)	198,655,189
Total Proprietary Capital 452,346,380 107,172,200 10,175,551 569,694,131 Liabilities Bonds 319,476,729 131,165,194 (23,921,923) 426,720,000 Advances from Associated Companies Less: Unamorized Discount on Long-Term Debt 116,717,000 7,684,500 (1,401,500) 25,000,000 Total Long-Term Debt 337,996,382 138,768,671 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 212,859 87,391 - 300,250 Asset Retirement Obligation 52,132,636 1,039,912 - 3,728,348 Account, Misc. Operating Provisions 20,878,870 8,082,075 - 28,960,745 Total Other Noncurrent Liabilities 75,910,601 16,726,223 - 92,996,824 Accounts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Notes Payable to Assoc. Co. 56,070,143 23,029,033 (4,198,446) 74,892,000 Accounts Payable to Assoc. Co. 9,454,831 3,81,800 (707,963) 12,628,688 Intarest Accrued 4,024,161 968,77	Retained Earnings	282,939,464	37,620,058	22,860,479	343,420,001
Liabilities Bonds 319,476,729 131,165,194 (23,921,923) 426,720,000 Advances from Associated Companies 16,717,000 7,684,500 (1,401,500) 25,000,000 Less: Unamortized Discount on Long-Term Debt 18,717,000 7,684,500 (1,401,500) 25,000,000 Total Long-Term Debt 337,996,382 138,768,871 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 212,859 87,391 - 300,250 Asser Retirement Obligation 52,132,636 7,578,845 - 59,709,481 Lang-Term Portion of Derivative Instrument Liabilities 20,878,870 8,082,075 - 28,960,745 Total Other Noncurrent Liabilities 20,878,870 8,082,075 - 28,960,745 Accounts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Notes Payable to Assoc. Co. 9,454,831 3,981,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,981,800 (70,7963) 12,628,668 Misc. Current & Accrued 1,972,888	Accumulated Other Comprehensive Income	-	-		-
Bonds 319,476,729 131,165,194 (23,921,923) 426,720,000 Advances from Associated Companies 18,717,000 7,684,500 (1,401,500) 25,000,000 Less: Unamortized Discount on Long-Term Debt 18,717,000 7,684,500 (1,401,500) 25,000,000 Collagations Under Capital Leases - Noncurrent 337,996,382 138,768,671 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 212,859 87,391 - 300,250 Asset Retirement Obligation 52,132,636 7,576,845 - 59,709,481 Long-Term Portion of Derivative Instrument Liabilities 2,686,436 1,039,912 - 3,728,348 Accum. Nics. Operating Provisions 20,876,670 8,082,075 - 28,960,745 Total Other Noncurrent Liabilities 76,910,601 16,786,223 - 92,696,824 Accounts Payable to Assoc. Co. 9,447,372 1,681,905,931 (2,133,089) 36,050,105 Notes Payable to Assoc. Co. 9,447,872 1,681,905 (30,098) 5,406,714 Customer Deposits 5,901,345	Total Proprietary Capital	452,346,380	107,172,200	10,175,551	569,694,131
Advances from Associated Companies 18,717,000 7,684,500 (1,401,500) 25,000,000 Less: Unamortized Discount on Long-Term Debt 337,996,382 138,768,671 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 212,859 87,391 - 300,250 Asset Retirement Obligation 52,132,636 7,576,845 - 59,709,481 Long-Term Portion of Derivative Instrument Liabilities 2,686,436 1,039,912 - 3,726,348 Accum. Misc. Operating Provisions 20,878,870 8,082,075 - 28,980,745 Total Other Noncurrent Liabilities 75,910,601 16,766,223 - 92,696,824 Accounts Payable to Assoc. Co. 5,607,143 23,020,303 (4,188,446) 74,820,000 Accounts Payable to Assoc. Co. 9,454,831 3,881,800 (707,963) 12,628,668 Customer Deposits 5,907,1345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 95,863 4,225,004 9,252,988 Interest Accrued 1,278,868 388,962 6,095	Liabilities	,			
Less: Unamortized Discount on Long-Term Debt (197,347) (81,023) 14,777 (263,593) Total Long-Term Debt 337,996,382 138,768,671 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent 212,859 87,391 - 300,250 Asset Retirement Obligation 52,132,636 7,576,845 - 59,709,481 Long-Term Portion of Derivative Instrument Liabilities 2,686,436 1,039,912 - 3,726,348 Accum. Misc. Operating Provisions 20,878,670 8,082,075 - 28,960,745 Total Other Noncurrent Liabilities 75,510,601 16,786,223 - 92,666,824 Accounts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Notes Payable to Assoc. Co. 9,454,851 3,881,800 (707,963) 12,628,686 Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,027,811 95,983 4,265,004 9,252,998 Interest Accrued 10,726,218 4,120,805 (303,089) 5,406,677 <td>Bonds</td> <td>319,476,729</td> <td>131,165,194</td> <td>(23,921,923)</td> <td>426,720,000</td>	Bonds	319,476,729	131,165,194	(23,921,923)	426,720,000
Total Long-Term Debt 337,996,882 138,768,671 (25,308,646) 451,456,407 Obligations Under Capital Leases - Noncurrent Asset Retirement Obligation 52,132,636 7,576,645 59,709,481 Long-Term Portion of Derivative Instrument Liabilities 2,686,436 1,033,912 3,726,348 Accum. Misc. Operating Provisions 20,878,670 8,082,075 - 28,960,745 Total Other Noncurrent Liabilities 75,910,601 16,786,223 - 92,696,824 Accounts Payable 0xess Payable to Assoc. Co. 56,070,143 23,020,33 (4,198,446) 74,882,000 Accounts Payable to Assoc. Co. 56,070,143 3,968,775 - 9,870,120 Taxe Collections Payable 5,901,345 3,968,775 - 9,870,120 Taxe Collections Payable 1,278,869 38,862 6,095 1,679,328 Insc. Current & Accrued 1,278,869 38,862 - 439,307 Derivative Instrument Liabilities 1,778,869 1,882,266 - 439,307 Derivative Instrument Liabilities 1,278,659 - 439,307	Advances from Associated Companies	18,717,000	7,684,500	(1,401,500)	25,000,000
Obligations Under Capital Leases - Noncurrent 212,859 87,391 - 300,250 Asset Retirement Obligation 52,132,636 7,576,845 - 59,709,481 Long-Term Portion of Derivative Instrument Liabilities 2,686,436 1,039,912 - 3,726,348 Accum: Misc. Operating Provisions 20,878,870 8,082,075 - 28,960,745 Total Other Noncurrent Liabilities 75,910,601 16,786,223 - 92,696,824 Accounts Payable 0 Assoc. Co. 56,070,143 23,020,303 (4,198,446) 74,892,000 Accounts Payable to Assoc. Co. 9,454,831 3,881,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,996 Interest Accrued 10,276,218 4,162,089 - 14,878,307 Derivative Instrument Liabilities 10,276,218 4,182,089 - 14,878,307 Dirivative Instrument Liabilities 10,276,869 388,962 6,095 1,673,928	Less: Unamortized Discount on Long-Term Debt	(197,347)	(81,023)	14,777	(263,593)
Asset Retirement Obligation 52,132,636 7,576,845 - 59,709,481 Long-Term Portion of Derivative Instrument Liabilities 2,686,436 1,039,912 - 3,726,348 Accum. Misc. Operating Provisions 20,878,670 6,082,075 - 28,860,745 Total Other Noncurrent Liabilities 75,910,601 16,786,223 - 92,696,824 Accourts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Notes Payable to Assoc. Co. 56,070,143 23,020,303 (4,198,446) 74,892,000 Accounts Payable to Assoc. Co. 9,454,831 3,981,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 10,726,218 4,152,069 - 4,293,307 Obligations Under Capital Leases - Current 311,442 127,865 - 4,293,892 Long-Term Portion of Derivative Instrument Liabilities 120,715,394 50,015,75	Total Long-Term Debt	337,996,382	138,768,671	(25,308,646)	451,456,407
Asset Retirement Obligation 52,132,636 7,576,845 - 59,709,481 Long-Term Portion of Derivative Instrument Liabilities 2,686,436 1,039,912 - 3,726,348 Accum. Misc. Operating Provisions 20,878,670 6,082,075 - 28,860,745 Total Other Noncurrent Liabilities 75,910,601 16,786,223 - 92,696,824 Accourts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Notes Payable to Assoc. Co. 56,070,143 23,020,303 (4,198,446) 74,892,000 Accounts Payable to Assoc. Co. 9,454,831 3,981,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 10,726,218 4,152,069 - 4,293,307 Obligations Under Capital Leases - Current 311,442 127,865 - 4,293,892 Long-Term Portion of Derivative Instrument Liabilities 120,715,394 50,015,75	Obligations Under Capital Leases - Noncurrent	212,859	87,391	-	300,250
Accum. Misc. Operating Provisions 20,878,670 8,082,075 28,960,745 Total Other Noncurrent Liabilities 75,910,601 16,766,223 92,696,824 Accounts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Notes Payable to Assoc. Co. 56,070,143 23,020,303 (4,198,446) 74,882,000 Accounts Payable to Assoc. Co. 9,454,831 3,881,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,968,775 9,470,120 12,628,668 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued Liabilities 10,726,218 4,152,089 14,878,307 Obligations Under Capital Leases - Current 311,442 127,865 439,307 Derivative Instrument Liabilities 10,726,218 4,152,089 14,878,307 Obligations Under Capital Leases - Current 311,442 127,865 439,307 Derivative Instrument Liabilities 10,726,218 4,152,089 14,878,307 Obligations Under Capital Leases - Current 310,95,596 1,98,296 4		52,132,636	7,576,845	-	59,709,481
Total Other Noncurrent Liabilities 75,910,601 16,786,223 92,696,824 Accounts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Notes Payable to Assoc. Co. 56,070,143 23,020,303 (4,198,446) 74,892,000 Accounts Payable to Assoc. Co. 9,454,831 3,881,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 1,278,869 388,962 6,095 1,673,926 Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 14,878,307 Derivative Instrument Liabilities 2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 12,0715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 - 1,579,329	Long-Term Portion of Derivative Instrument Liabilities	2,686,436	1,039,912	-	3,726,348
Accounts Payable 28,487,353 11,695,841 (2,133,089) 38,050,105 Notes Payable to Assoc. Co. 56,070,143 23,020,303 (4,198,446) 74,892,000 Accounts Payable to Assoc. Co. 9,454,831 3,881,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 1,278,669 388,962 6,095 1,673,926 Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 439,307 Obligations Under Capital Leases - Current 311,442 127,865 - 439,307 Derivative Instrument Liabilities 2(,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 16,569,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403	Accum. Misc. Operating Provisions	20,878,670	8,082,075	-	28,960,745
Notes Payable to Assoc. Co. 56,070,143 23,020,303 (4,198,446) 74,892,000 Accounts Payable to Assoc. Co. 9,454,831 3,881,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 1,278,869 388,962 6,095 1,673,926 Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 14,878,307 Obligations Under Capital Leases - Current 311,442 127,865 - 4,293,654 Less: Long-Term Portion of Derivative Instrument Liabilities (2,686,436) (1,039,912) - (3,726,548) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 92,401,179 3,946,276 - 16,34	Total Other Noncurrent Liabilities	75,910,601	16,786,223		92,696,824
Accounts Payable to Assoc. Co. 9,454,831 3,881,800 (707,963) 12,628,668 Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 1,278,869 388,962 6,095 1,673,926 Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 14,878,307 Obligations Under Capital Leases - Current 311,442 127,865 - 4,293,892 Less: Long-Term Portion of Derivative Instrument Liabilities 2(.686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 12,0715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accurn. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Investment Tax Credits 12,401,179 3,946,276 - 16,374,455 Other Regulatory Liabilities 95,606,041 <t< td=""><td>Accounts Payable</td><td>28,487,353</td><td>11,695,841</td><td>(2,133,089)</td><td>38,050,105</td></t<>	Accounts Payable	28,487,353	11,695,841	(2,133,089)	38,050,105
Customer Deposits 5,901,345 3,968,775 - 9,870,120 Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 1,278,869 388,962 6,095 1,673,926 Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 14,878,307 Derivative Instrument Liabilities 3,095,596 1,198,296 - 4,293,892 Less: Long-Term Portion of Derivative Instrument Liabilities (2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 12,0715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 269,854,637 113,514,534 32,499,928 415,869,09	Notes Payable to Assoc. Co.	56,070,143	23,020,303	(4,198,446)	74,892,000
Taxes Accrued 4,028,161 959,833 4,265,004 9,252,998 Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 1,278,869 388,962 6,095 1,673,926 Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 14,878,307 Obligations Under Capital Leases - Current 311,442 127,865 - 439,307 Derivative Instrument Liabilities 3,095,596 1,198,296 - 4,293,892 Less: Long-Term Portion of Derivative Instrument Liabilities (2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Regulatory Liabilities 95,606,041 44,727,960 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 269,854,637	Accounts Payable to Assoc. Co.	9,454,831	3,881,800	(707,963)	12,628,668
Interest Accrued 4,047,872 1,661,905 (303,098) 5,406,679 Tax Collections Payable 1,278,869 388,962 6,095 1,673,926 Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 14,878,307 Obligations Under Capital Leases - Current 311,442 127,865 - 439,307 Derivative Instrument Liabilities 3,095,596 1,198,296 - 4,293,892 Less: Long-Term Portion of Derivative Instrument Liabilities 2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,679,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Income Taxes 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, 26	Customer Deposits	5,901,345	3,968,775	-	9,870,120
Tax Collections Payable 1,278,869 388,962 6,095 1,673,926 Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 14,878,307 Obligations Under Capital Leases - Current 311,442 127,865 - 439,307 Derivative Instrument Liabilities 3,095,596 1,198,296 - 4,293,892 Less: Long-Term Portion of Derivative Instrument Liabilities (2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL,	Taxes Accrued	4,028,161	959,833	4,265,004	9,252,998
Misc. Current & Accrued Liabilities 10,726,218 4,152,089 - 14,878,307 Obligations Under Capital Leases - Current 311,442 127,865 - 439,307 Derivative Instrument Liabilities 3,095,596 1,198,296 - 4,293,892 Less: Long-Term Portion of Derivative Instrument Liabilities (2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099	Interest Accrued	4,047,872	1,661,905	(303,098)	5,406,679
Obligations Under Capital Leases - Current 311,442 127,865 - 439,307 Derivative Instrument Liabilities 3,095,596 1,198,296 - 4,293,892 Less: Long-Term Portion of Derivative Instrument Liabilities (2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, 269,854,637 113,514,534 32,499,928 415,869,099	Tax Collections Payable	1,278,869	388,962	6,095	1,673,926
Derivative Instrument Liabilities 3,095,596 1,198,296 - 4,293,892 Less: Long-Term Portion of Derivative Instrument Liabilities (2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,679,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, 269,854,637 113,514,534 32,499,928 415,869,099	Misc. Current & Accrued Liabilities	10,726,218	4,152,089	-	14,878,307
Less: Long-Term Portion of Derivative Instrument Liabilities (2,686,436) (1,039,912) - (3,726,348) Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,679,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, X X X X X X	Obligations Under Capital Leases - Current	311,442	127,865	-	439,307
Total Current & Accrued Liabilities 120,715,394 50,015,757 (3,071,497) 167,659,654 Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, 50,017,017,017,017,017,017,017,017,017,01	Derivative Instrument Liabilities	3,095,596	1,198,296	-	4,293,892
Customer Advances for Construction - 1,579,329 - 1,579,329 Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, X X X X X	Less: Long-Term Portion of Derivative Instrument Liabilities	(2,686,436)	(1,039,912)	-	(3,726,348)
Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099	Total Current & Accrued Liabilities	120,715,394	50,015,757	(3,071,497)	167,659,654
Accum. Deferred Investment Tax Credits 421,061 537,215 2,839,403 3,797,679 Other Deferred Credits 12,401,179 3,946,276 - 16,347,455 Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, FORMULTARY CAPITAL, FORMULTARY CAPITAL, FORMULTARY CAPITAL, FORMULTARY CAPITAL,	Customer Advances for Construction	-	1,579,329	-	1,579,329
Other Regulatory Liabilities 95,606,041 44,727,960 - 140,334,001 Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, Image: Comparison of the second	Accum. Deferred Investment Tax Credits	421,061	537,215	2,839,403	3,797,679
Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, 269,854,637 113,514,534 32,499,928 415,869,099	Other Deferred Credits	12,401,179	3,946,276	-	16,347,455
Accumulated Deferred Income Taxes 161,426,356 62,723,754 29,660,525 253,810,635 Total Deferred Credits 269,854,637 113,514,534 32,499,928 415,869,099 TOTAL PROPRIETARY CAPITAL, 101,426,356 113,514,534 32,499,928 415,869,099	Other Regulatory Liabilities	95,606,041	44,727,960	-	140,334,001
TOTAL PROPRIETARY CAPITAL,		161,426,356	62,723,754	29,660,525	253,810,635
	Total Deferred Credits	269,854,637	113,514,534	32,499,928	415,869,099
LIABILITIES, AND OTHER DEFERRED CREDITS 1,256,823,394 426,257,385 14,295,336 1,697,376,115	TOTAL PROPRIETARY CAPITAL,				
	LIABILITIES, AND OTHER DEFERRED CREDITS	1,256,823,394	426,257,385	14,295,336	1,697,376,115

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements Income Statement For the 12 Months Ended June 30, 2018 (Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
Revenues				
Residential Sales	133,510,889	66,502,794		200,013,683
Commercial Sales	113,658,751	23,909,902		137,568,653
Industrial Sales	53,497,538	1,690,913		55,188,451
Sales to Public Authorities	21,120,549	2,416,252		23,536,801
Public Street & Highway Lighting	1,558,979	956		1,559,935
Inter-Departmental Sales	78,052	34,073		112,125
Misc. Service Revenues	(128,657)	36,743	513,635	421,721
Revenues from Transportation	-	6,533,001		6,533,001
Sales for Resale	14,565,630	-		14,565,630
Rents from Property	1,051,943	(138)		1,051,805
Other Revenues	18,098,816	(2,426,567)		15,672,249
Total Revenues	357,012,490	98,697,929	513,635	456,224,054
Operating Expenses				
Operation Expense	207,657,527	60,502,913	684,281	268,844,721
Maintenance Expense	43,865,327	2,405,839	27,298	46,298,464
Depreciation Expense	39,723,646	10,712,395	-	50,436,041
Amortization and Depletion	2,638,382	1,753,932	-	4,392,314
Taxes Other than Income Taxes	11,288,594	3,433,368	53,802	14,775,764
Income Taxes - Federal & Other	4,605,217	(6,993,339)	83,192	(2,304,930)
Provision for Deferred Income Taxes - Net	6,381,355	8,867,716	1,866,139	17,115,210
Investment Tax Credit Adjustment		50,194	(50,194)	-
Total Operating Expenses	316,160,048	80,733,018	2,664,518	399,557,584
NET OPERATING INCOME	40,852,442	17,964,911	(2,150,883)	56,666,470
Other Income & Deductions				
Revenues from Merchandising, Jobbing and Contract Work	-	-	985,268	985,268
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(289,638)	(289,638)
Revenues from Nonutility Operations	-	-	204,690	204,690
Interest & Dividend Income	-	-	1,493,487	1,493,487
AFUDC	3,697,090	881,780		4,578,870
Gain on Disposition of Property	-	· -	17,046	17,046
Loss on Disposition of Property	-	· -	(180,429)	(180,429)
Misc. Income Deductions	-	-	(3,008,029)	(3,008,029)
Taxes Other than Income Taxes	-	-	(115,924)	(115,924)
Income Taxes - Federal & Other	-	-	(1,124,134)	(1,124,134)
Provision for Deferred Income Taxes - Net			22,821,799	22,821,799
Total Other Income & Deductions	3,697,090	881,780	20,804,136	25,383,006
Interest Charges				
Interest on Long Term Debt	(12,515,684)	(5,138,472)	937,155	(16,717,001)
Amortization of Debt Disc. And Expense	(236,653)	(97,161)	17,720	(316,094)
Amortization of Loss on Reacquired Debt	(199,504)	(81,909)	14,939	(266,474)
Interest on Debt to Assoc. Co.	(666,933)	(273,818)	49,939	(890,812)
Other Interest Expense	(955,126)	(392,138)	71,518	(1,275,746)
Less: Allowance for Borrowed Fund Used During Construction - Credit	1,616,673	331,819	. · ·	1,948,492
Net interest Charges	(12,957,227)	(5,651,679)	1,091,271	(17,517,635)
Extraordinary Items after Taxes	<u> </u>		<u> </u>	
NET INCOME	31,592,305	13,195,012	19,744,524	64,531,841

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements Capital Structure June 30, 2018 (Unaudited)

	Actual May 18	Activity	Actual
	May-18	Activity	Jun-18
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	424,760,658	18,176	424,778,834
Advances from Associated Companies	25,000,000	-	25,000,000
Obligations under Capital Lease-Noncurrent	440,839	(140,589)	300,250
Total Long-term debt	450,201,497	(122,413)	450,079,084
	-		
Common Stock Equity			
Common Stock	8,779,995	-	8,779,995
Premium On Capital Stock Common	18,838,946	-	18,838,946
Donations Received From Stockholders	143,211,362	-	143,211,362
Donations Received From Stockholders Tax	5,600,021	-	5,600,021
Other Miscellaneous PIC	(156,194)	-	(156,194)
Miscellaneous PIC	15,000,000	35,000,000	50,000,000
Unappropriated Retained Earnings Balance	320,140,299	-	320,140,299
Unappropriated Retained Earnings - Current Year Net Income	16,581,458	6,698,244	23,279,702
Total Common Stock Equity	527,995,887	41,698,244	569,694,131
TOTAL CAPITALIZATION	978,197,384	41,575,831	1,019,773,215

NOTE:

* "Long-Term Debt" under Non-Current Liabilities does not included current portion of Long-Term Debt, Unamortized Discount, nor Unamortized Debt Expense.