



139 East Fourth Street-1303-Main
Cincinnati, Ohio 45202
Tel: 513-287-4320
Fax: 513-287-4385
Rocco.D'Ascenzo@duke-energy.com

Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

January 11, 2021

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

RECEIVED

JAN 11 2021

PUBLIC SERVICE
COMMISSION

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

Dear Ms. Bridwell:

Enclosed please find Duke Energy Kentucky's financial statements for the end of November 2020, per order by the Commission in the above-referenced case.

The original copy will be filed with the Commission within 30 days of the lifting of the current state of emergency. 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 Charquele Simien at (980) 373-6856.

Very Truly Yours,

/s/Rocco O. D'Ascenzo

Rocco O. D'Ascenzo

Enclosures

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 1
As of November 30, 2020
(Unaudited)

	<u>Total Company</u>
<u>Assets</u>	
Utility Plant in Service	2,833,649,552
Construction Work in Progress	77,459,415
Less: Accumulated Depreciation	(1,042,411,254)
Net Utility Plant	<u>1,868,697,713</u>
Nonutility Property	1,220,439
Other Investments	1,500
Other Special Funds	12,233,229
Long Term Portion of Derivative Instrument Assets	317,392
Total Other Property & Investments	<u>13,772,560</u>
Cash	5,377,689
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	4,401,443
Other Accounts Receivable	2,103,272
Less: Provision for Uncollectibles	(362,298)
Notes Receivable from Assoc. Co.	14,663,987
Accounts Receivable from Assoc. Co.	(406,812)
Fuel Stock	28,886,801
Gas Stored Underground Inventory	2,236,907
Plant Materials & Operating Supplies	18,223,227
Other Materials & Supplies	-
Stores Expense Undistributed	(185,184)
Prepayments	726,082
Emission Allowances	19,945
Derivative Instrument Assets	1,810,605
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	7,228,535
Accrued Utility Revenue	-
Rents Receivable	15,184
Total Current & Accrued Assets	<u>84,739,383</u>
Unamortized Debt Expense	3,132,874
Other Regulatory Assets	131,395,258
Preliminary Survey & Investigation	420,470
Clearing Accounts	36,818
Temporary Facilities	(11,883)
Miscellaneous Deferred Debits	2,191,513
Unamortized Loss on Reacquired Debt	527,431
Accumulated Deferred Income Taxes	68,280,258
Unrecovered Purchased Gas Costs	(2,283,497)
Total Deferred Debits	<u>203,689,242</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>2,170,898,898</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
 Balance Sheet - Page 2
 As of November 30, 2020
 (Unaudited)

	<u>Total Company</u>
<u>Proprietary Capital</u>	
Common Stock Issued	8,779,995
Premium on Capital Stock	18,838,946
Other Paid-in Capital Stock	223,655,189
Retained Earnings	463,863,365
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	<u>715,137,495</u>
<u>Liabilities</u>	
Bonds	706,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(187,323)
Total Long-Term Debt	<u>731,532,677</u>
Obligations Under Capital Leases - Noncurrent	8,721,643
Asset Retirement Obligation	58,772,259
Long-Term Portion of Derivative Instrument Liabilities	5,437,637
Accum. Misc. Operating Provisions	30,347,012
Total Other Noncurrent Liabilities	<u>103,278,551</u>
Accounts Payable	38,987,086
Notes Payable to Assoc. Co.	67,261,000
Accounts Payable to Assoc. Co.	7,063,178
Customer Deposits	9,241,066
Taxes Accrued	13,504,943
Interest Accrued	6,301,608
Tax Collections Payable	1,385,977
Misc. Current & Accrued Liabilities	6,928,926
Obligations Under Capital Leases - Current	290,932
Derivative Instrument Liabilities	7,138,718
Less: Long-Term Portion of Derivative Instrument Liabilities	(5,437,637)
Total Current & Accrued Liabilities	<u>152,665,797</u>
Customer Advances for Construction	1,595,026
Accum. Deferred Investment Tax Credits	3,623,133
Other Deferred Credits	14,686,230
Other Regulatory Liabilities	136,493,732
Accumulated Deferred Income Taxes	311,886,257
Total Deferred Credits	<u>468,284,378</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>2,170,898,898</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended November 30, 2020
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	135,169,637	63,893,830	199,063,467
Commercial Sales	122,137,357	21,972,904	144,110,261
Industrial Sales	56,474,612	1,668,098	58,142,710
Sales to Public Authorities	17,032,072	1,614,272	18,646,344
Public Street & Highway Lighting	1,653,481	-	1,653,481
Inter-Departmental Sales	45,574	22,672	68,246
Misc. Service Revenues	(1,074,347)	834,761	(239,586)
Revenues from Transportation	-	6,444,365	6,444,365
Sales for Resale	7,833,226	-	7,833,226
Rents from Property	1,322,332	-	1,322,332
Other Revenues	5,425,014	51,703	5,476,717
Total Revenues	<u>346,018,958</u>	<u>96,502,605</u>	<u>442,521,563</u>
<u>Operating Expenses</u>			
Operation Expense	183,469,275	45,489,534	228,958,809
Maintenance Expense	38,848,610	1,875,630	40,724,240
Depreciation Expense	50,305,406	14,654,690	64,960,096
Amortization and Depletion	3,524,002	3,835,192	7,359,194
Taxes Other than Income Taxes	13,119,639	4,025,696	17,145,335
Income Taxes - Federal & Other	(2,104,920)	1,947,466	(157,454)
Provision for Deferred Income Taxes - Net	5,909,016	2,130,763	8,039,779
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>293,071,028</u>	<u>73,958,971</u>	<u>367,029,999</u>
NET OPERATING INCOME	<u>52,947,930</u>	<u>22,543,634</u>	<u>75,491,564</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,294,538	-	1,294,538
Less: Expense of Merchandising, Jobbing and Contract Work	(67,094)	-	(67,094)
Revenues from Nonutility Operations	2,397,272	(1,789)	2,395,483
Interest & Dividend Income	780,479	249,950	1,030,429
AFUDC	(418,343)	449,959	31,616
Gain on Disposition of Property	(157,362)	-	(157,362)
Loss on Disposition of Property	-	-	-
Misc. Income Deductions	(1,336,637)	(719,620)	(2,056,257)
Taxes Other than Income Taxes	(65,790)	(21,918)	(87,708)
Income Taxes - Federal & Other	(2,741,505)	102,458	(2,639,047)
Provision for Deferred Income Taxes - Net	1,731,493	(91,710)	1,639,783
Total Other Income & Deductions	<u>1,417,051</u>	<u>(32,670)</u>	<u>1,384,381</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(17,663,638)	(6,885,821)	(24,549,459)
Amortization of Debt Disc. And Expense	(315,648)	(75,646)	(391,294)
Amortization of Loss on Reacquired Debt	(126,058)	(52,116)	(178,174)
Interest on Debt to Assoc. Co.	(625,295)	(257,768)	(883,063)
Other Interest Expense	(1,336,641)	(22,337)	(1,358,978)
Less: Allowance for Borrowed Fund Used During Construction - Credit	(252,027)	367,942	115,915
Net interest Charges	<u>(20,319,307)</u>	<u>(6,925,746)</u>	<u>(27,245,053)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>34,045,674</u>	<u>15,585,218</u>	<u>49,630,892</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
November 30, 2020
(Unaudited)

	Actual 10/31/2020	Activity	Actual 11/30/2020
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	703,788,878	(4,384)	703,784,494
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,746,872	(25,229)	8,721,643
Total Long-term debt	737,535,751	(29,614)	737,506,137
 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	75,000,000	-	75,000,000
Unappropriated Retained Earnings Balance	418,819,464	-	418,819,464
Unappropriated Retained Earnings - Current Year Net Income	41,436,464	3,607,437	45,043,901
Total Common Stock Equity	711,530,058	3,607,437	715,137,495
 TOTAL CAPITALIZATION	1,449,065,808	3,577,823	1,452,643,631

NOTE:

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

** "Obligations under Capital Lease Noncurrent includes \$9.2M of lease liabilities resulting from the implementation of ASC 842 in January 2019.