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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

June 14, 2021

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

RECEIVED

JUN 14 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 April 2021, 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 April 30, 2021
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	2,901,564,311
Construction Work in Progress	84,887,540
Less: Accumulated Depreciation	(1,062,606,690)
Net Utility Plant	1,923,845,161
Nonutility Property	1,220,439
Other Investments	1,500
Other Special Funds	13,843,594
Long Term Portion of Derivative Instrument Assets	317,782
Total Other Property & Investments	15,383,315
Cash	7,609,894
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	5,886,568
Other Accounts Receivable	2,083,183
Less: Provision for Uncollectibles	(327,116)
Notes Receivable from Assoc. Co.	8,933,547
Accounts Receivable from Assoc. Co.	(30,813)
Fuel Stock	24,752,531
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	17,852,605
Other Materials & Supplies	-
Stores Expense Undistributed	(998)
Prepayments	1,159,933
Emission Allowances	19,672
Derivative Instrument Assets	259,151
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	6,940,816
Accrued Utility Revenue	-
Rents Receivable	19,084
Total Current & Accrued Assets	75,158,057
Unamortized Debt Expense	3,040,276
Other Regulatory Assets	135,741,714
Preliminary Survey & Investigation	346,847
Clearing Accounts	39,506
Temporary Facilities	(623)
Miscellaneous Deferred Debits	2,341,011
Unamortized Loss on Reacquired Debt	476,296
Accumulated Deferred Income Taxes	71,769,184
Unrecovered Purchased Gas Costs	(3,125,307)
Total Deferred Debits	210,628,904
TOTAL ASSETS AND OTHER DEBITS	2,225,015,437

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of April 30, 2021
(Unaudited)

	Total Company
<u>Proprietary Capital</u>	
Common Stock Issued	8,779,995
Premium on Capital Stock	18,838,946
Other Paid-in Capital Stock	223,655,189
Retained Earnings	491,817,689
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	743,091,819
<u>Liabilities</u>	
Bonds	706,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(182,214)
Total Long-Term Debt	731,537,786
Obligations Under Capital Leases - Noncurrent	8,593,877
Asset Retirement Obligation	76,383,072
Long-Term Portion of Derivative Instrument Liabilities	4,026,386
Accum. Misc. Operating Provisions	31,757,062
Total Other Noncurrent Liabilities	120,760,397
Accounts Payable	26,789,402
Notes Payable to Assoc. Co.	83,201,000
Accounts Payable to Assoc. Co.	12,167,447
Customer Deposits	8,908,297
Taxes Accrued	12,625,106
Interest Accrued	4,204,934
Tax Collections Payable	1,555,013
Misc. Current & Accrued Liabilities	4,658,759
Obligations Under Capital Leases - Current	301,036
Derivative Instrument Liabilities	5,031,009
Less: Long-Term Portion of Derivative Instrument Liabilities	(4,026,386)
Total Current & Accrued Liabilities	155,415,617
Customer Advances for Construction	1,643,017
Accum. Deferred Investment Tax Credits	3,602,741
Other Deferred Credits	14,407,881
Other Regulatory Liabilities	135,897,901
Accumulated Deferred Income Taxes	318,658,278
Total Deferred Credits	474,209,818
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,225,015,437

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended April 30, 2021
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	143,393,498	70,963,417	214,356,915
Commercial Sales	128,178,407	25,672,563	153,850,970
Industrial Sales	55,047,319	1,828,346	56,875,665
Sales to Public Authorities	11,063,813	804,846	11,868,659
Public Street & Highway Lighting	1,662,257	-	1,662,257
Inter-Departmental Sales	45,595	26,097	71,692
Misc. Service Revenues	(88,530)	975,028	886,498
Revenues from Transportation	-	6,610,141	6,610,141
Sales for Resale	12,366,732	-	12,366,732
Rents from Property	1,473,461	-	1,473,461
Other Revenues	7,593,691	55,996	7,649,687
Total Revenues	<u>360,736,243</u>	<u>106,936,434</u>	<u>467,672,677</u>
<u>Operating Expenses</u>			
Operation Expense	197,676,528	53,474,274	251,150,802
Maintenance Expense	31,296,026	2,104,613	33,400,639
Depreciation Expense	50,578,127	17,129,001	67,707,128
Amortization and Depletion	3,695,996	4,113,035	7,809,031
Taxes Other than Income Taxes	13,892,896	4,024,702	17,917,598
Income Taxes - Federal & Other	2,813,431	1,944,721	4,758,152
Provision for Deferred Income Taxes - Net	3,868,151	1,396,069	5,264,220
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>303,821,155</u>	<u>84,186,415</u>	<u>388,007,570</u>
NET OPERATING INCOME	<u>56,915,088</u>	<u>22,750,019</u>	<u>79,665,107</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,382,797	-	1,382,797
Less: Expense of Merchandising, Jobbing and Contract Work	(126,736)	-	(126,736)
Revenues from Nonutility Operations	978,632	(2,291)	976,341
Interest & Dividend Income	671,856	207,262	879,118
AFUDC	(743,607)	254,984	(488,623)
Gain on Disposition of Property	-	-	-
Loss on Disposition of Property	23,647	-	23,647
Misc. Income Deductions	(1,307,102)	(660,889)	(1,967,991)
Taxes Other than Income Taxes	(50,595)	(16,916)	(67,511)
Income Taxes - Federal & Other	(2,249,761)	134,287	(2,115,474)
Provision for Deferred Income Taxes - Net	1,669,700	(57,163)	1,612,537
Total Other Income & Deductions	<u>248,831</u>	<u>(140,726)</u>	<u>108,105</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(17,768,690)	(7,296,426)	(25,065,116)
Amortization of Debt Disc. And Expense	(376,916)	(80,482)	(457,398)
Amortization of Loss on Reacquired Debt	(102,716)	(43,477)	(146,193)
Interest on Debt to Assoc. Co.	(180,511)	(76,162)	(256,673)
Other Interest Expense	(1,497,867)	(7,570)	(1,505,437)
Less: Allowance for Borrowed Fund Used During Construction - Credit	(599,936)	152,479	(447,457)
Net interest Charges	<u>(20,526,636)</u>	<u>(7,351,638)</u>	<u>(27,878,274)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>36,637,283</u>	<u>15,257,655</u>	<u>51,894,938</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
April 30, 2021
(Unaudited)

	Actual 3/31/2021	Activity	Actual 4/30/2021
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	654,022,401	23,678	654,046,079
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,619,809	(25,931)	8,593,878
Total Long-term debt	<u>687,642,210</u>	<u>(2,253)</u>	<u>687,639,957</u>
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	466,962,760	-	466,962,760
Unappropriated Retained Earnings - Current Year Net Income	22,066,778	2,788,151	24,854,929
Total Common Stock Equity	<u>740,303,668</u>	<u>2,788,151</u>	<u>743,091,819</u>
 TOTAL CAPITALIZATION	 1,427,945,878	 2,785,898	 1,430,731,776

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.