



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

September 17, 2021

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

RECEIVED

SEP 17 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 July 2021, per order by the Commission in the above-referenced case.

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 July 31, 2021
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	2,914,077,323
Construction Work in Progress	105,890,244
Less: Accumulated Depreciation	(1,071,208,014)
Net Utility Plant	1,948,759,553
Nonutility Property	1,247,563
Other Investments	1,500
Other Special Funds	14,587,390
Long Term Portion of Derivative Instrument Assets	200,597
Total Other Property & Investments	16,037,050
Cash	5,164,072
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	5,728,950
Other Accounts Receivable	1,903,928
Less: Provision for Uncollectibles	(327,462)
Notes Receivable from Assoc. Co.	15,295,429
Accounts Receivable from Assoc. Co.	(2,326,067)
Fuel Stock	22,849,569
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	17,362,727
Other Materials & Supplies	-
Stores Expense Undistributed	447,286
Prepayments	1,274,425
Emission Allowances	19,426
Derivative Instrument Assets	3,002,239
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	5,285,357
Accrued Utility Revenue	-
Rents Receivable	19,253
Total Current & Accrued Assets	75,699,132
Unamortized Debt Expense	2,902,383
Other Regulatory Assets	138,847,675
Preliminary Survey & Investigation	372,706
Clearing Accounts	81,108
Temporary Facilities	3,652
Miscellaneous Deferred Debits	2,496,078
Unamortized Loss on Reacquired Debt	445,615
Accumulated Deferred Income Taxes	69,978,865
Unrecovered Purchased Gas Costs	(1,547,001)
Total Deferred Debits	213,581,081
TOTAL ASSETS AND OTHER DEBITS	2,254,076,816

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of July 31, 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	273,655,189
Retained Earnings	503,305,701
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	804,579,831
<u>Liabilities</u>	
Bonds	706,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(179,148)
Total Long-Term Debt	731,540,852
Obligations Under Capital Leases - Noncurrent	8,514,778
Asset Retirement Obligation	76,356,596
Long-Term Portion of Derivative Instrument Liabilities	4,334,682
Accum. Misc. Operating Provisions	31,193,082
Total Other Noncurrent Liabilities	120,399,138
Accounts Payable	36,357,208
Notes Payable to Assoc. Co.	33,581,000
Accounts Payable to Assoc. Co.	12,696,973
Customer Deposits	8,727,858
Taxes Accrued	12,968,869
Interest Accrued	6,967,869
Tax Collections Payable	1,909,813
Misc. Current & Accrued Liabilities	8,398,628
Obligations Under Capital Leases - Current	307,237
Derivative Instrument Liabilities	5,344,901
Less: Long-Term Portion of Derivative Instrument Liabilities	(4,334,682)
Total Current & Accrued Liabilities	122,925,674
Customer Advances for Construction	1,636,730
Accum. Deferred Investment Tax Credits	3,587,448
Other Deferred Credits	14,197,755
Other Regulatory Liabilities	134,283,838
Accumulated Deferred Income Taxes	320,925,550
Total Deferred Credits	474,631,321
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,254,076,816

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended July 31, 2021
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	146,133,359	71,253,028	217,386,387
Commercial Sales	134,454,355	26,374,247	160,828,602
Industrial Sales	56,273,697	1,832,595	58,106,292
Sales to Public Authorities	8,347,643	674,174	9,021,817
Public Street & Highway Lighting	1,673,348	-	1,673,348
Inter-Departmental Sales	46,127	26,989	73,116
Misc. Service Revenues	16,693	1,035,523	1,052,216
Revenues from Transportation	-	6,753,468	6,753,468
Sales for Resale	15,189,945	-	15,189,945
Rents from Property	1,507,621	-	1,507,621
Other Revenues	8,119,651	61,606	8,181,257
Total Revenues	<u>371,762,439</u>	<u>108,011,630</u>	<u>479,774,069</u>
<u>Operating Expenses</u>			
Operation Expense	210,706,622	53,751,577	264,458,199
Maintenance Expense	29,561,690	2,055,016	31,616,706
Depreciation Expense	50,471,961	17,409,799	67,881,760
Amortization and Depletion	3,714,196	4,332,135	8,046,331
Taxes Other than Income Taxes	14,276,388	4,107,487	18,383,875
Income Taxes - Federal & Other	3,157,458	2,153,302	5,310,760
Provision for Deferred Income Taxes - Net	3,698,496	1,248,263	4,946,759
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>315,586,811</u>	<u>85,057,579</u>	<u>400,644,390</u>
NET OPERATING INCOME	<u>56,175,628</u>	<u>22,954,051</u>	<u>79,129,679</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,262,748	-	1,262,748
Less: Expense of Merchandising, Jobbing and Contract Work	(118,619)	-	(118,619)
Revenues from Nonutility Operations	955,936	(3,210)	952,726
Interest & Dividend Income	717,263	213,253	930,516
AFUDC	(605,156)	366,164	(238,992)
Gain on Disposition of Property	-	-	-
Loss on Disposition of Property	-	-	-
Misc. Income Deductions	(2,536,680)	(895,888)	(3,432,568)
Taxes Other than Income Taxes	(29,759)	(10,076)	(39,835)
Income Taxes - Federal & Other	(1,914,990)	140,650	(1,774,340)
Provision for Deferred Income Taxes - Net	1,647,269	(31,447)	1,615,822
Total Other Income & Deductions	<u>(621,988)</u>	<u>(220,554)</u>	<u>(842,542)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(18,056,815)	(7,553,096)	(25,609,911)
Amortization of Debt Disc. And Expense	(420,546)	(82,716)	(503,262)
Amortization of Loss on Reacquired Debt	(93,319)	(40,231)	(133,550)
Interest on Debt to Assoc. Co.	(120,691)	(52,024)	(172,715)
Other Interest Expense	(1,312,467)	(6,163)	(1,318,630)
Less: Allowance for Borrowed Fund Used During Construction - Credit	(595,501)	141,523	(453,978)
Net interest Charges	<u>(20,599,339)</u>	<u>(7,592,707)</u>	<u>(28,192,046)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>34,954,301</u>	<u>15,140,790</u>	<u>50,095,091</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
July 31, 2021
(Unaudited)

	Actual 6/30/2021	Activity	Actual 7/31/2021
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	654,093,435	23,678	654,117,113
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,541,344	(26,565)	8,514,779
Total Long-term debt	<u>687,634,779</u>	<u>(2,887)</u>	<u>687,631,892</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	125,000,000	-	125,000,000
Unappropriated Retained Earnings Balance	466,962,760	-	466,962,760
Unappropriated Retained Earnings - Current Year Net Income	30,830,277	5,512,663	36,342,940
Total Common Stock Equity	<u>799,067,167</u>	<u>5,512,663</u>	<u>804,579,830</u>
TOTAL CAPITALIZATION	1,486,701,946	5,509,776	1,492,211,722

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.