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VIA EMAIL DELIVERY

April 14, 2022

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

RECEIVED

APR 14 2022

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 February 2022, 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 February 28, 2022
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,013,389,856
Construction Work in Progress	79,293,540
Less: Accumulated Depreciation	(1,068,301,902)
Net Utility Plant	2,024,381,494
Nonutility Property	1,247,563
Other Investments	1,500
Other Special Funds	16,726,484
Long Term Portion of Derivative Instrument Assets	111,502
Total Other Property & Investments	18,087,049
Cash	11,459,368
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	6,199,849
Other Accounts Receivable	2,044,482
Less: Provision for Uncollectibles	(325,358)
Notes Receivable from Assoc. Co.	36,514,518
Accounts Receivable from Assoc. Co.	5,754,974
Fuel Stock	26,392,630
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	16,792,165
Other Materials & Supplies	-
Stores Expense Undistributed	87,875
Prepayments	1,626,202
Emission Allowances	19,175
Derivative Instrument Assets	1,524,464
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	9,341,310
Accrued Utility Revenue	-
Rents Receivable	11,831
Total Current & Accrued Assets	117,443,485
Unamortized Debt Expense	2,659,725
Other Regulatory Assets	141,810,029
Preliminary Survey & Investigation	405,891
Clearing Accounts	24,167
Temporary Facilities	(11,136)
Miscellaneous Deferred Debits	2,293,318
Unamortized Loss on Reacquired Debt	374,027
Accumulated Deferred Income Taxes	70,722,124
Unrecovered Purchased Gas Costs	(3,745,544)
Total Deferred Debits	214,532,601
TOTAL ASSETS AND OTHER DEBITS	2,374,444,629

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of February 28, 2022
(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	540,503,999
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	841,778,129
<u>Liabilities</u>	
Bonds	706,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(171,994)
Total Long-Term Debt	731,548,006
Obligations Under Capital Leases - Noncurrent	8,323,299
Asset Retirement Obligation	93,548,763
Long-Term Portion of Derivative Instrument Liabilities	3,693,879
Accum. Misc. Operating Provisions	30,925,441
Total Other Noncurrent Liabilities	136,491,382
Accounts Payable	32,557,911
Notes Payable to Assoc. Co.	81,313,000
Accounts Payable to Assoc. Co.	15,120,513
Customer Deposits	9,223,449
Taxes Accrued	19,773,035
Interest Accrued	9,052,386
Tax Collections Payable	3,171,379
Misc. Current & Accrued Liabilities	4,892,452
Obligations Under Capital Leases - Current	322,106
Derivative Instrument Liabilities	4,644,858
Less: Long-Term Portion of Derivative Instrument Liabilities	(3,693,879)
Total Current & Accrued Liabilities	176,377,210
Customer Advances for Construction	1,645,439
Accum. Deferred Investment Tax Credits	3,559,978
Other Deferred Credits	14,031,915
Other Regulatory Liabilities	130,347,293
Accumulated Deferred Income Taxes	338,665,277
Total Deferred Credits	488,249,902
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,374,444,629

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended February 28, 2022
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	168,591,503	85,168,223	253,759,726
Commercial Sales	143,001,742	34,222,823	177,224,565
Industrial Sales	61,192,585	2,303,609	63,496,194
Sales to Public Authorities	16,800,796	2,091,448	18,892,244
Public Street & Highway Lighting	1,725,249	-	1,725,249
Inter-Departmental Sales	62,513	27,360	89,873
Misc. Service Revenues	565,292	969,370	1,534,662
Revenues from Transportation	-	7,172,017	7,172,017
Sales for Resale	15,610,057	-	15,610,057
Rents from Property	1,529,893	-	1,529,893
Other Revenues	7,744,864	65,310	7,810,174
Total Revenues	<u>416,824,494</u>	<u>132,020,160</u>	<u>548,844,653</u>
<u>Operating Expenses</u>			
Operation Expense	241,587,510	73,511,033	315,098,543
Maintenance Expense	36,743,931	2,039,408	38,783,339
Depreciation Expense	52,977,313	18,123,486	71,100,799
Amortization and Depletion	3,540,894	4,326,650	7,867,544
Taxes Other than Income Taxes	15,896,050	4,720,262	20,616,312
Income Taxes - Federal & Other	(10,920,543)	1,317,245	(9,603,298)
Provision for Deferred Income Taxes - Net	17,388,706	3,071,483	20,460,189
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>357,213,861</u>	<u>107,109,567</u>	<u>464,323,428</u>
NET OPERATING INCOME	<u>59,610,633</u>	<u>24,910,593</u>	<u>84,521,225</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,451,121	-	1,451,121
Less: Expense of Merchandising, Jobbing and Contract Work	(119,605)	-	(119,605)
Revenues from Nonutility Operations	891,833	(3,975)	887,858
Interest & Dividend Income	826,001	228,182	1,054,183
AFUDC	1,005,142	263,818	1,268,960
Gain on Disposition of Property	-	-	-
Loss on Disposition of Property	-	-	-
Misc. Income Deductions	(3,064,742)	(2,004,135)	(5,068,877)
Taxes Other than Income Taxes	(3,172)	-	(3,172)
Income Taxes - Federal & Other	(1,809,237)	469,799	(1,339,438)
Provision for Deferred Income Taxes - Net	1,425,341	(20,836)	1,404,505
Total Other Income & Deductions	<u>602,682</u>	<u>(1,067,147)</u>	<u>(464,465)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(17,921,525)	(7,904,836)	(25,826,361)
Amortization of Debt Disc. And Expense	(427,830)	(85,912)	(513,742)
Amortization of Loss on Reacquired Debt	(84,537)	(38,186)	(122,723)
Interest on Debt to Assoc. Co.	(104,343)	(47,848)	(152,191)
Other Interest Expense	(1,316,076)	(4,925)	(1,321,001)
Less: Allowance for Borrowed Fund Used During Construction - Credit	382,414	64,574	446,988
Net interest Charges	<u>(19,471,897)</u>	<u>(8,017,133)</u>	<u>(27,489,030)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>40,741,418</u>	<u>15,826,313</u>	<u>56,567,730</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
February 28, 2022
(Unaudited)

	Actual 1/31/2022	Activity	Actual 2/28/2022
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	704,242,183	23,678	704,265,861
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,350,951	(27,652)	8,323,299
Total Long-term debt	<u>737,593,134</u>	<u>(3,974)</u>	<u>737,589,160</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	520,368,340	-	520,368,340
Unappropriated Retained Earnings - Current Year Net Income	14,062,510	6,073,149	20,135,659
Total Common Stock Equity	<u>835,704,980</u>	<u>6,073,149</u>	<u>841,778,129</u>
 TOTAL CAPITALIZATION	 1,573,298,114	 6,069,175	 1,579,367,289

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.