



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

May 17, 2022

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

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 March 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

RECEIVED

MAY 17 2022

PUBLIC SERVICE
COMMISSION

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 1
As of March 31, 2022
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,196,429,051	767,383,576	35,559,261	2,999,371,888
Construction Work in Progress	59,963,550	19,428,489	-	79,392,039
Less: Accumulated Depreciation	(856,251,507)	(195,885,526)	3,023,615	(1,049,113,418)
Net Utility Plant	<u>1,400,141,094</u>	<u>590,926,539</u>	<u>38,582,876</u>	<u>2,029,650,509</u>
Nonutility Property	-	-	1,247,563	1,247,563
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	16,898,985	16,898,985
Long Term Portion of Derivative Instrument Assets	-	-	199,276	199,276
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>18,347,324</u>	<u>18,347,324</u>
Cash	6,738,818	2,766,707	(504,592)	9,000,933
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	6,639,404	2,127,787	-	8,767,191
Other Accounts Receivable	1,346,191	552,696	(100,801)	1,798,086
Less: Provision for Uncollectibles	(240,901)	(77,204)	-	(318,105)
Notes Receivable from Assoc. Co.	12,680,086	5,205,969	(949,465)	16,936,590
Accounts Receivable from Assoc. Co.	(2,045,119)	(839,648)	153,135	(2,731,632)
Fuel Stock	24,845,967	-	-	24,845,967
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	16,945,433	406,954	-	17,352,387
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	72,047	1,730	-	73,777
Prepayments	961,034	454,957	-	1,415,991
Emission Allowances	19,060	-	-	19,060
Derivative Instrument Assets	300,938	-	-	300,938
Interest & Dividends Receivable	-	-	-	-
Accrued Utility Revenues	492,844	157,946	-	650,790
Misc Current and Accrued Assets	7,399,162	1,008,360	-	8,407,522
Rents Receivable	8,100	-	-	8,100
Total Current & Accrued Assets	<u>76,163,064</u>	<u>11,766,254</u>	<u>(1,401,723)</u>	<u>86,527,595</u>
Unamortized Debt Expense	2,070,601	850,111	(155,044)	2,765,668
Other Regulatory Assets	122,393,428	19,132,745	-	141,526,173
Preliminary Survey & Investigation	311,476	127,880	(23,323)	416,033
Clearing Accounts	(7,260)	(3,154)	-	(10,414)
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	1,775,891	729,116	(132,977)	2,372,030
Unamortized Loss on Reacquired Debt	272,370	111,825	(20,395)	363,800
Accumulated Deferred Income Taxes	52,982,309	18,432,136	-	71,414,445
Unrecovered Purchased Gas Costs	-	(4,647,868)	-	(4,647,868)
Total Deferred Debits	<u>179,798,815</u>	<u>34,732,791</u>	<u>(331,739)</u>	<u>214,199,867</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>1,656,102,973</u></u>	<u><u>637,425,584</u></u>	<u><u>55,196,738</u></u>	<u><u>2,348,725,295</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of March 31, 2022
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Proprietary Capital</u>				
Common Stock Issued	6,573,407	2,698,795	(492,207)	8,779,995
Premium on Capital Stock	14,104,342	5,790,715	(1,056,111)	18,838,946
Other Paid-in Capital Stock	204,880,167	84,116,132	(15,341,110)	273,655,189
Retained Earnings	336,193,438	119,674,753	88,998,780	544,866,971
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>561,751,354</u>	<u>212,280,395</u>	<u>72,109,352</u>	<u>846,141,101</u>
<u>Liabilities</u>				
Bonds	529,107,129	217,231,594	(39,618,723)	706,720,000
Advances from Associated Companies	18,717,000	7,684,500	(1,401,500)	25,000,000
Unamortized Premium on Long-Term Debt	-	-	-	-
Less: Unamortized Discount on Long-Term Debt	(128,003)	(52,554)	9,585.00	(170,972)
Total Long-Term Debt	<u>547,696,126</u>	<u>224,863,540</u>	<u>(41,010,638)</u>	<u>731,549,028</u>
Obligations Under Capital Leases - Noncurrent	5,881,046	2,414,502	-	8,295,548
Asset Retirement Obligation	82,489,529	11,100,765	-	93,590,294
Long-Term Portion of Derivative Instrument Liabilities	1,667,523	724,185	-	2,391,708
Accum. Misc. Operating Provisions	21,667,158	9,409,788	-	31,076,946
Total Other Noncurrent Liabilities	<u>111,705,256</u>	<u>23,649,240</u>	<u>-</u>	<u>135,354,496</u>
Accounts Payable	23,480,361	9,640,158	(1,758,173)	31,362,346
Notes Payable to Assoc. Co.	39,201,634	16,094,725	(2,935,358)	52,361,001
Accounts Payable to Assoc. Co.	12,503,089	5,133,301	(936,212)	16,700,178
Customer Deposits	5,451,684	3,666,371	-	9,118,055
Taxes Accrued	15,747,263	6,721,744	(50,063)	22,418,944
Interest Accrued	4,666,926	1,916,065	(349,452)	6,233,539
Tax Collections Payable	1,709,082	489,365	456	2,198,903
Misc. Current & Accrued Liabilities	3,636,400	1,579,245	-	5,215,645
Obligations Under Capital Leases - Current	229,882	94,379	-	324,261
Derivative Instrument Liabilities	2,183,437	948,240	-	3,131,677
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,667,523)	(724,185)	-	(2,391,708)
Total Current & Accrued Liabilities	<u>107,142,235</u>	<u>45,559,408</u>	<u>(6,028,802)</u>	<u>146,672,841</u>
Customer Advances for Construction	-	1,645,439	-	1,645,439
Accum. Deferred Investment Tax Credits	396,117	307,737	2,839,403	3,543,257
Other Deferred Credits	10,722,347	3,412,041	-	14,134,388
Other Regulatory Liabilities	84,906,797	44,110,887	-	129,017,684
Accumulated Deferred Income Taxes	231,782,741	81,596,897	27,287,423	340,667,061
Total Deferred Credits	<u>327,808,002</u>	<u>131,073,001</u>	<u>30,126,826</u>	<u>489,007,829</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>1,656,102,973</u></u>	<u><u>637,425,584</u></u>	<u><u>55,196,738</u></u>	<u><u>2,348,725,295</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended March 31, 2022
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	169,555,480	86,996,665		256,552,145
Commercial Sales	141,935,598	35,053,763		176,989,361
Industrial Sales	61,169,079	2,355,528		63,524,607
Sales to Public Authorities	17,796,445	2,366,053		20,162,498
Public Street & Highway Lighting	1,714,376	-		1,714,376
Inter-Departmental Sales	134,349	27,628		161,977
Misc. Service Revenues	109,914	21,729	946,482	1,078,125
Revenues from Transportation	-	7,359,912		7,359,912
Sales for Resale	20,857,430	-		20,857,430
Rents from Property	1,498,595	-		1,498,595
Other Revenues	7,074,881	64,887		7,139,768
Total Revenues	<u>421,846,147</u>	<u>134,246,165</u>	<u>946,482</u>	<u>557,038,794</u>
<u>Operating Expenses</u>				
Operation Expense	247,174,778	75,405,822	683,345	323,263,945
Maintenance Expense	37,011,827	1,948,675	74,788	39,035,290
Depreciation Expense	53,524,712	18,133,148	-	71,657,860
Amortization and Depletion	3,553,916	4,315,188	-	7,869,104
Taxes Other than Income Taxes	16,279,755	4,661,415	4,348	20,945,518
Income Taxes - Federal & Other	(8,455,602)	2,517,579	(53,319)	(5,991,342)
Provision for Deferred Income Taxes - Net	14,546,302	2,369,870	(148,235)	16,767,937
Investment Tax Credit Adjustment	-	26	(26)	-
Total Operating Expenses	<u>363,635,688</u>	<u>109,351,723</u>	<u>560,901</u>	<u>473,548,312</u>
NET OPERATING INCOME	<u>58,210,459</u>	<u>24,894,442</u>	<u>385,581</u>	<u>83,490,482</u>
<u>Other Income & Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	1,402,467	1,402,467
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(111,030)	(111,030)
Revenues from Nonutility Operations	-	-	881,100	881,100
Interest & Dividend Income	-	-	1,083,985	1,083,985
AFUDC	1,006,975	256,569		1,263,544
Gain on Disposition of Property	-	-	105,042	105,042
Loss on Disposition of Property	-	-	(117,763)	(117,763)
Misc. Income Deductions	-	-	(4,986,342)	(4,986,342)
Taxes Other than Income Taxes	-	-	(3,213)	(3,213)
Income Taxes - Federal & Other	-	-	(1,209,709)	(1,209,709)
Provision for Deferred Income Taxes - Net	-	-	1,339,009	1,339,009
Total Other Income & Deductions	<u>1,006,975</u>	<u>256,569</u>	<u>(1,616,454)</u>	<u>(352,910)</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(19,328,667)	(7,935,627)	1,447,301	(25,816,993)
Amortization of Debt Disc. And Expense	(373,862)	(153,493)	27,994	(499,361)
Amortization of Loss on Recquired Debt	(91,880)	(37,723)	6,880	(122,723)
Interest on Debt to Assoc. Co.	(124,164)	(50,977)	9,297	(165,844)
Other Interest Expense	(858,751)	(352,571)	64,302	(1,147,020)
Less: Allowance for Borrowed Fund Used During Construction - Credit	388,247	63,556	-	451,803
Net interest Charges	<u>(20,389,077)</u>	<u>(8,466,835)</u>	<u>1,555,774</u>	<u>(27,300,138)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>38,828,357</u>	<u>16,684,176</u>	<u>324,901</u>	<u>55,837,434</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
March 31, 2022
(Unaudited)

	Actual Feb-22	Activity	Actual Mar-22
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	704,265,861	32,350	704,298,211
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,323,299	(27,751)	8,295,548
Total Long-term debt	737,589,160	4,599	737,593,759
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	20,135,659	4,362,974	24,498,633
Total Common Stock Equity	841,778,129	4,362,974	846,141,103
TOTAL CAPITALIZATION	1,579,367,289	4,367,573	1,583,734,862

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.