



139 East Fourth Street-1303-Main  
Cincinnati, Ohio 45202  
Tel: 513-287-4320  
Fax: 513-370-5720  
Rocco.D'Ascenzo@duke-energy.com

Rocco O. D'Ascenzo  
Deputy General Counsel

**VIA EMAIL DELIVERY**

October 14, 2022

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

RECEIVED  
OCT 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 August 2022, per order by the Commission in the above-referenced case.

If you have any questions regarding the financial statements, please contact Danielle Weatherston at [Danielle.Weatherston@duke-energy.com](mailto:Danielle.Weatherston@duke-energy.com).

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 August 31, 2022  
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,064,574,775
Construction Work in Progress	83,449,554
Less: Accumulated Depreciation	(1,077,288,447)
Net Utility Plant	2,070,735,882
Nonutility Property	1,247,563
Other Investments	1,500
Other Special Funds	17,761,490
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	19,010,553
Cash	1,536,820
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	6,807,325
Other Accounts Receivable	1,817,198
Less: Provision for Uncollectibles	(426,684)
Notes Receivable from Assoc. Co.	46,215,269
Accounts Receivable from Assoc. Co.	(1,633,176)
Fuel Stock	26,060,565
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	18,643,066
Other Materials & Supplies	-
Stores Expense Undistributed	452,306
Prepayments	8,131,658
Emission Allowances	18,973
Derivative Instrument Assets	4,861,655
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	13,789,297
Accrued Utility Revenue	-
Rents Receivable	19,992
Total Current & Accrued Assets	126,294,264
Unamortized Debt Expense	2,958,672
Other Regulatory Assets	137,529,167
Preliminary Survey & Investigation	459,182
Clearing Accounts	(50,124)
Temporary Facilities	25,600
Miscellaneous Deferred Debits	2,409,070
Unamortized Loss on Reacquired Debt	312,666
Accumulated Deferred Income Taxes	70,985,263
Unrecovered Purchased Gas Costs	(1,163,432)
Total Deferred Debits	213,466,064
TOTAL ASSETS AND OTHER DEBITS	2,429,506,763

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 2  
As of August 31, 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	564,824,868
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	866,098,998
<u>Liabilities</u>	
Bonds	756,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(165,863)
Total Long-Term Debt	781,554,137
Obligations Under Capital Leases - Noncurrent	8,152,458
Asset Retirement Obligation	93,400,480
Long-Term Portion of Derivative Instrument Liabilities	2,241,106
Accum. Misc. Operating Provisions	30,308,838
Total Other Noncurrent Liabilities	134,102,882
Accounts Payable	60,622,960
Notes Payable to Assoc. Co.	38,332,000
Accounts Payable to Assoc. Co.	19,449,682
Customer Deposits	9,169,830
Taxes Accrued	26,784,756
Interest Accrued	9,469,444
Tax Collections Payable	1,623,791
Misc. Current & Accrued Liabilities	(8,590,650)
Obligations Under Capital Leases - Current	335,260
Derivative Instrument Liabilities	2,711,213
Less: Long-Term Portion of Derivative Instrument Liabilities	(2,241,105)
Total Current & Accrued Liabilities	157,667,181
Customer Advances for Construction	1,855,906
Accum. Deferred Investment Tax Credits	3,462,273
Other Deferred Credits	14,413,710
Other Regulatory Liabilities	126,609,610
Accumulated Deferred Income Taxes	343,742,066
Total Deferred Credits	490,083,565
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,429,506,763

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Income Statement  
As of August 31, 2022  
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	186,188,664	91,921,584	278,110,248
Commercial Sales	148,190,062	37,453,629	185,643,691
Industrial Sales	65,472,426	2,365,338	67,837,764
Sales to Public Authorities	23,461,289	2,843,509	26,304,798
Public Street & Highway Lighting	1,378,419	-	1,378,419
Inter-Departmental Sales	120,797	27,796	148,592
Misc. Service Revenues	(3,847,232)	607,124	(3,240,108)
Revenues from Transportation	-	8,398,870	8,398,870
Sales for Resale	29,535,988	-	29,535,988
Rents from Property	1,480,243	-	1,480,243
Other Revenues	9,451,136	68,238	9,519,374
Total Revenues	<u>461,431,791</u>	<u>143,686,088</u>	<u>605,117,879</u>
<u>Operating Expenses</u>			
Operation Expense	278,960,796	81,904,028	360,864,824
Maintenance Expense	39,500,641	2,202,581	41,703,222
Depreciation Expense	59,912,002	18,077,324	77,989,326
Amortization and Depletion	3,844,206	4,170,828	8,015,034
Taxes Other than Income Taxes	17,212,370	4,681,655	21,894,025
Income Taxes - Federal & Other	(7,403,744)	2,213,857	(5,189,887)
Provision for Deferred Income Taxes - Net	13,630,257	2,935,277	16,565,534
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>405,656,528</u>	<u>116,185,550</u>	<u>521,842,078</u>
NET OPERATING INCOME	<u>55,775,263</u>	<u>27,500,538</u>	<u>83,275,801</u>
<u>Other Income &amp; Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,459,497	-	1,459,497
Less: Expense of Merchandising, Jobbing and Contract Work	(100,994)	-	(100,994)
Revenues from Nonutility Operations	859,806	(257)	859,549
Interest & Dividend Income	1,286,094	356,784	1,642,878
AFUDC	1,189,007	232,599	1,421,606
Gain on Disposition of Property	-	110,499	110,499
Loss on Disposition of Property	-	(105,042)	(105,042)
Misc. Income Deductions	(2,619,803)	(1,872,595)	(4,492,399)
Taxes Other than Income Taxes	(3,257)	-	(3,257)
Income Taxes - Federal & Other	(1,744,122)	431,392	(1,312,729)
Provision for Deferred Income Taxes - Net	1,253,018	(31,932)	1,221,086
Total Other Income & Deductions	<u>1,579,246</u>	<u>(878,552)</u>	<u>700,694</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(17,870,691)	(8,374,512)	(26,245,203)
Amortization of Debt Disc. And Expense	(436,419)	(2,910)	(439,329)
Amortization of Loss on Reacquired Debt	(83,223)	(39,500)	(122,723)
Interest on Debt to Assoc. Co.	(297,520)	(144,851)	(442,371)
Other Interest Expense	(1,415,860)	(29,360)	(1,445,220)
Less: Allowance for Borrowed Fund Used During Construction - Credit	515,280	89,062	604,342
Net interest Charges	<u>(19,588,433)</u>	<u>(8,502,071)</u>	<u>(28,090,504)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>37,766,076</u>	<u>18,119,915</u>	<u>55,885,991</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Capital Structure  
As of August 31, 2022  
(Unaudited)

	Actual 7/31/2022	Activity	Actual 8/31/2022
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	754,039,859	27,242	754,067,101
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,181,751	(29,293)	8,152,458
Total Long-term debt	<u>787,221,610</u>	<u>(2,051)</u>	<u>787,219,559</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	36,691,892	7,764,636	44,456,528
Total Common Stock Equity	<u>858,334,362</u>	<u>7,764,636</u>	<u>866,098,998</u>
TOTAL CAPITALIZATION	1,645,555,972	7,762,585	1,653,318,557

**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.