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Rocco O. D'Ascenzo  
Deputy General Counsel

**VIA EMAIL DELIVERY**

November 16, 2022

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

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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 September 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 September 30, 2022  
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,262,458,161	793,438,800	43,301,046	3,099,198,007
Construction Work in Progress	65,674,136	28,264,981	-	93,939,117
Less: Accumulated Depreciation	<u>(855,083,027)</u>	<u>(198,419,822)</u>	<u>(2,516,953)</u>	<u>(1,056,019,802)</u>
Net Utility Plant	<u>1,473,049,270</u>	<u>623,283,959</u>	<u>40,784,093</u>	<u>2,137,117,322</u>
Nonutility Property	-	-	1,247,563	1,247,563
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	17,933,991	17,933,991
Long Term Portion of Derivative Instrument Assets	-	-	-	-
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>19,183,054</u>	<u>19,183,054</u>
Cash	1,709,987	702,057	(128,042)	2,284,002
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	19,872,896	6,053,013	-	25,925,909
Other Accounts Receivable	1,406,536	577,471	(105,319)	1,878,688
Less: Provision for Uncollectibles	(365,074)	(111,196)	-	(476,270)
Notes Receivable from Assoc. Co.	33,670,177	13,823,715	(2,521,171)	44,972,721
Accounts Receivable from Assoc. Co.	1,876,448	770,400	(140,506)	2,506,342
Fuel Stock	27,425,070	-	-	27,425,070
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	17,875,284	455,539	-	18,330,823
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	541,949	13,811	-	555,760
Prepayments	633,781	300,035	-	933,816
Emission Allowances	18,973	-	-	18,973
Derivative Instrument Assets	4,496,840	-	-	4,496,840
Interest & Dividends Receivable	-	-	-	-
Accrued Utility Revenues	-	-	-	-
Misc Current and Accrued Assets	18,799,073	8,461,687	-	27,260,760
Rents Receivable	16,027	-	-	16,027
Total Current & Accrued Assets	<u>127,977,967</u>	<u>31,046,532</u>	<u>(2,895,038)</u>	<u>156,129,461</u>
Unamortized Debt Expense	2,188,337	898,449	(163,859)	2,922,927
Other Regulatory Assets	80,170,210	18,175,578	-	98,345,788
Preliminary Survey & Investigation	352,924	144,897	(26,426)	471,395
Clearing Accounts	(48,000)	(22,052)	-	(70,052)
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	1,833,445	752,745	(137,286)	2,448,904
Unamortized Loss on Reacquired Debt	226,430	92,964	(16,955)	302,439
Accumulated Deferred Income Taxes	54,983,816	16,738,928	-	71,722,744
Unrecovered Purchased Gas Costs	-	114,315	-	114,315
Total Deferred Debits	<u>139,707,162</u>	<u>36,895,824</u>	<u>(344,526)</u>	<u>176,258,460</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><u>1,740,734,399</u></u>	<u><u>691,226,315</u></u>	<u><u>56,727,583</u></u>	<u><u>2,488,688,297</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 2  
As of September 30, 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	330,554,097	143,991,898	96,654,943	571,200,938
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>556,112,013</u>	<u>236,597,540</u>	<u>79,765,515</u>	<u>872,475,068</u>
<u>Liabilities</u>				
Bonds	566,541,129	232,600,594	(42,421,723)	756,720,000
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	(123,413)	(50,669)	9,241.00	(164,841)
Total Long-Term Debt	<u>585,134,716</u>	<u>240,234,425</u>	<u>(43,813,982)</u>	<u>781,555,159</u>
Obligations Under Capital Leases - Noncurrent	5,758,762	2,364,298	-	8,123,060
Asset Retirement Obligation	99,620,263	11,351,901	-	110,972,164
Long-Term Portion of Derivative Instrument Liabilities	852,413	391,604	-	1,244,017
Accum. Misc. Operating Provisions	16,952,613	7,788,143	-	24,740,756
Total Other Noncurrent Liabilities	<u>123,184,051</u>	<u>21,895,946</u>	<u>-</u>	<u>145,079,997</u>
Accounts Payable	32,817,111	13,473,481	(2,457,295)	43,833,297
Notes Payable to Assoc. Co.	55,772,168	22,897,966	(4,176,134)	74,494,000
Accounts Payable to Assoc. Co.	15,541,269	6,380,664	(1,163,706)	20,758,227
Customer Deposits	5,515,062	3,708,992	-	9,224,054
Taxes Accrued	10,430,180	4,594,029	(215,978)	14,808,231
Interest Accrued	5,058,998	2,077,036	(378,810)	6,757,224
Tax Collections Payable	1,349,037	350,641	352	1,700,030
Misc. Current & Accrued Liabilities	8,902,088	4,089,678	-	12,991,766
Obligations Under Capital Leases - Current	239,269	98,234	-	337,503
Derivative Instrument Liabilities	998,838	458,873	-	1,457,711
Less: Long-Term Portion of Derivative Instrument Liabilities	(852,413)	(391,604)	-	(1,244,017)
Total Current & Accrued Liabilities	<u>135,771,607</u>	<u>57,737,990</u>	<u>(8,391,571)</u>	<u>185,118,026</u>
Customer Advances for Construction	-	2,363,217	-	2,363,217
Accum. Deferred Investment Tax Credits	396,156	177,860	2,839,403	3,413,419
Other Deferred Credits	11,272,832	3,587,216	-	14,860,048
Other Regulatory Liabilities	81,492,152	44,216,267	-	125,708,419
Accumulated Deferred Income Taxes	247,370,872	84,415,854	26,328,218	358,114,944
Total Deferred Credits	<u>340,532,012</u>	<u>134,760,414</u>	<u>29,167,621</u>	<u>504,460,047</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u>1,740,734,399</u>	<u>691,226,315</u>	<u>56,727,583</u>	<u>2,488,688,297</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Income Statement  
For the 12 Months Ended September 30, 2022  
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	189,259,114	92,703,494		281,962,608
Commercial Sales	152,496,173	38,114,466		190,610,639
Industrial Sales	69,567,574	2,388,756		71,956,330
Sales to Public Authorities	24,540,047	2,835,383		27,375,430
Public Street & Highway Lighting	1,738,404	-		1,738,404
Inter-Departmental Sales	121,555	29,167		150,722
Misc. Service Revenues	(3,270,510)	13,211	522,636	(2,734,663)
Revenues from Transportation	-	8,658,938		8,658,938
Sales for Resale	30,821,862	-		30,821,862
Rents from Property	1,501,076	-		1,501,076
Other Revenues	10,419,587	80,991		10,500,578
Total Revenues	<u>477,194,882</u>	<u>144,824,406</u>	<u>522,636</u>	<u>622,541,924</u>
<u>Operating Expenses</u>				
Operation Expense	291,762,972	82,830,212	669,788	375,262,972
Maintenance Expense	36,794,519	2,011,838	61,219	38,867,576
Depreciation Expense	60,969,790	18,082,533	-	79,052,323
Amortization and Depletion	3,947,817	4,178,094	-	8,125,911
Taxes Other than Income Taxes	17,851,054	4,639,835	4,653	22,495,542
Income Taxes - Federal & Other	(13,251,706)	1,572,167	(117,965)	(11,797,504)
Provision for Deferred Income Taxes - Net	18,801,441	4,095,002	(390,894)	22,505,549
Investment Tax Credit Adjustment	-	(1,502)	1,502	-
Total Operating Expenses	<u>416,875,887</u>	<u>117,408,179</u>	<u>228,303</u>	<u>534,512,369</u>
NET OPERATING INCOME	<u>60,318,995</u>	<u>27,416,227</u>	<u>294,333</u>	<u>88,029,555</u>
<u>Other Income &amp; Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	1,520,382	1,520,382
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(103,222)	(103,222)
Revenues from Nonutility Operations	-	-	832,632	832,632
Interest & Dividend Income	-	-	1,933,278	1,933,278
AFUDC	1,181,654	247,126		1,428,780
Gain on Disposition of Property	-	-	110,499	110,499
Loss on Disposition of Property	-	-	(121,978)	(121,978)
Misc. Income Deductions	-	-	(5,257,142)	(5,257,142)
Taxes Other than Income Taxes	-	-	(3,343)	(3,343)
Income Taxes - Federal & Other	-	-	(412,808)	(412,808)
Provision for Deferred Income Taxes - Net	-	-	435,796	435,796
Total Other Income & Deductions	<u>1,181,654</u>	<u>247,126</u>	<u>(1,065,906)</u>	<u>362,874</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(19,941,806)	(8,187,360)	1,493,212	(26,635,954)
Amortization of Debt Disc. And Expense	(321,266)	(131,900)	24,056	(429,110)
Amortization of Loss on Reacquired Debt	(91,880)	(37,723)	6,880	(122,723)
Interest on Debt to Assoc. Co.	(456,818)	(187,552)	34,206	(610,164)
Other Interest Expense	(1,038,239)	(426,263)	77,742	(1,386,760)
Less: Allowance for Borrowed Fund Used During Construction - Credit	557,102	109,768	-	666,870
Net interest Charges	<u>(21,292,907)</u>	<u>(8,861,030)</u>	<u>1,636,096</u>	<u>(28,517,841)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>40,207,742</u>	<u>18,802,323</u>	<u>864,523</u>	<u>59,874,588</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Capital Structure  
September 30, 2022  
(Unaudited)

	Actual Aug-22	Activity	Actual Sep-22
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	754,067,101	28,123	754,095,224
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,152,458	(29,398)	8,123,060
Total Long-term debt	787,219,559	(1,275)	787,218,284
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	44,456,528	6,376,070	50,832,598
Total Common Stock Equity	866,098,998	6,376,070	872,475,068
TOTAL CAPITALIZATION	1,653,318,557	6,374,795	1,659,693,352

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.