



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

December 16, 2022

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

RECEIVED

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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 October 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.

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 October 31, 2022
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,104,828,871
Construction Work in Progress	100,594,213
Less: Accumulated Depreciation	(1,056,794,617)
Net Utility Plant	2,148,628,467
Nonutility Property	1,247,563
Other Investments	1,500
Other Special Funds	18,106,492
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	19,355,555
Cash	988,244
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	7,512,719
Other Accounts Receivable	1,809,889
Less: Provision for Uncollectibles	(500,867)
Notes Receivable from Assoc. Co.	31,124,328
Accounts Receivable from Assoc. Co.	6,558,057
Fuel Stock	33,756,663
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	18,386,592
Other Materials & Supplies	-
Stores Expense Undistributed	542,436
Prepayments	735,975
Emission Allowances	18,973
Derivative Instrument Assets	4,496,840
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	27,114,919
Accrued Utility Revenue	-
Rents Receivable	16,028
Total Current & Accrued Assets	132,560,796
Unamortized Debt Expense	2,887,118
Other Regulatory Assets	99,450,444
Preliminary Survey & Investigation	482,532
Clearing Accounts	(85,966)
Temporary Facilities	6,268
Miscellaneous Deferred Debits	2,364,303
Unamortized Loss on Reacquired Debt	292,212
Accumulated Deferred Income Taxes	71,722,743
Unrecovered Purchased Gas Costs	604,758
Total Deferred Debits	177,724,412
TOTAL ASSETS AND OTHER DEBITS	2,478,269,230

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of October 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	571,221,702
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	872,495,832
<u>Liabilities</u>	
Bonds	756,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(163,819)
Total Long-Term Debt	781,556,181
Obligations Under Capital Leases - Noncurrent	8,093,555
Asset Retirement Obligation	109,820,960
Long-Term Portion of Derivative Instrument Liabilities	1,244,017
Accum. Misc. Operating Provisions	24,803,907
Total Other Noncurrent Liabilities	143,962,439
Accounts Payable	55,974,891
Notes Payable to Assoc. Co.	81,309,000
Accounts Payable to Assoc. Co.	13,833,503
Customer Deposits	9,196,609
Taxes Accrued	16,379,302
Interest Accrued	4,933,028
Tax Collections Payable	2,970,196
Misc. Current & Accrued Liabilities	(9,154,188)
Obligations Under Capital Leases - Current	339,753
Derivative Instrument Liabilities	1,457,711
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,244,017)
Total Current & Accrued Liabilities	175,995,788
Customer Advances for Construction	2,565,093
Accum. Deferred Investment Tax Credits	3,413,420
Other Deferred Credits	14,842,266
Other Regulatory Liabilities	125,323,268
Accumulated Deferred Income Taxes	358,114,943
Total Deferred Credits	504,258,990
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,478,269,230

Duke Energy Kentucky, Inc.

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

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	190,225,210	95,038,070	285,263,280
Commercial Sales	153,677,031	38,935,457	192,612,488
Industrial Sales	70,597,093	2,400,870	72,997,963
Sales to Public Authorities	24,897,523	3,018,665	27,916,188
Public Street & Highway Lighting	1,817,769	-	1,817,769
Inter-Departmental Sales	119,102	30,589	149,691
Misc. Service Revenues	(3,189,869)	462,799	(2,727,070)
Revenues from Transportation	-	8,927,662	8,927,662
Sales for Resale	31,510,311	-	31,510,311
Rents from Property	1,461,836	-	1,461,836
Other Revenues	11,485,787	90,700	11,576,487
Total Revenues	<u>482,601,793</u>	<u>148,904,812</u>	<u>631,506,605</u>
<u>Operating Expenses</u>			
Operation Expense	300,260,676	86,420,421	386,681,097
Maintenance Expense	34,867,489	2,157,138	37,024,627
Depreciation Expense	62,245,805	18,052,887	80,298,692
Amortization and Depletion	4,028,808	4,183,699	8,212,507
Taxes Other than Income Taxes	17,664,939	4,602,804	22,267,743
Income Taxes - Federal & Other	(13,940,575)	1,543,489	(12,397,086)
Provision for Deferred Income Taxes - Net	18,706,344	3,705,254	22,411,598
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>423,833,486</u>	<u>120,665,692</u>	<u>544,499,178</u>
NET OPERATING INCOME	<u>58,768,307</u>	<u>28,239,120</u>	<u>87,007,427</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,423,117	-	1,423,117
Less: Expense of Merchandising, Jobbing and Contract Work	(103,679)	-	(103,679)
Revenues from Nonutility Operations	836,920	(2,885)	834,035
Interest & Dividend Income	1,705,679	458,407	2,164,086
AFUDC	1,132,314	264,291	1,396,605
Gain on Disposition of Property	-	110,499	110,499
Loss on Disposition of Property	(9,483)	(112,495)	(121,978)
Misc. Income Deductions	(3,501,389)	(2,005,886)	(5,507,275)
Taxes Other than Income Taxes	(3,432)	-	(3,432)
Income Taxes - Federal & Other	(1,717,942)	1,315,802	(402,140)
Provision for Deferred Income Taxes - Net	1,411,761	(975,966)	435,795
Total Other Income & Deductions	<u>1,173,866</u>	<u>(948,233)</u>	<u>225,633</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(18,219,483)	(8,678,749)	(26,898,232)
Amortization of Debt Disc. And Expense	(406,456)	(12,499)	(418,955)
Amortization of Loss on Reacquired Debt	(82,786)	(39,937)	(122,723)
Interest on Debt to Assoc. Co.	(597,458)	(292,729)	(890,187)
Other Interest Expense	(1,396,139)	(35,903)	(1,432,042)
Less: Allowance for Borrowed Fund Used During Construction - Credit	624,993	146,031	771,024
Net interest Charges	<u>(20,077,329)</u>	<u>(8,913,786)</u>	<u>(28,991,115)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>39,864,844</u>	<u>18,377,101</u>	<u>58,241,945</u>

Duke Energy Kentucky, Inc.

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

	Actual 9/30/2022	Activity	Actual 10/31/2022
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	754,095,224	(74,947,420)	679,147,804
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,123,060	(29,505)	8,093,555
Total Long-term debt	<u>787,218,284</u>	<u>(74,976,925)</u>	<u>712,241,359</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	50,832,598	20,764	50,853,362
Total Common Stock Equity	<u>872,475,068</u>	<u>20,764</u>	<u>872,495,832</u>
 TOTAL CAPITALIZATION	 \$ 1,659,693,352	 \$ (74,956,161)	 \$ 1,584,737,191

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 \$8.1M of lease liabilities resulting from the implementation of ASC 842 in January 2019.