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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

January 27, 2023

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

RECEIVED

JAN 27 2023

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 November 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 November 30, 2022
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,126,083,670
Construction Work in Progress	90,670,938
Less: Accumulated Depreciation	(1,055,492,656)
Net Utility Plant	2,161,261,952
Nonutility Property	1,247,563
Other Investments	1,500
Other Special Funds	18,278,993
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	19,528,056
Cash	4,380,673
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	7,354,872
Other Accounts Receivable	1,740,921
Less: Provision for Uncollectibles	(530,749)
Notes Receivable from Assoc. Co.	32,936,766
Accounts Receivable from Assoc. Co.	10,076,247
Fuel Stock	39,952,869
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	18,528,426
Other Materials & Supplies	-
Stores Expense Undistributed	814,551
Prepayments	538,133
Emission Allowances	18,973
Derivative Instrument Assets	4,496,840
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	26,736,609
Accrued Utility Revenue	-
Rents Receivable	50,511
Total Current & Accrued Assets	147,095,642
Unamortized Debt Expense	2,851,373
Other Regulatory Assets	101,167,676
Preliminary Survey & Investigation	490,559
Clearing Accounts	(117,187)
Temporary Facilities	14,985
Miscellaneous Deferred Debits	2,442,860
Unamortized Loss on Reacquired Debt	282,188
Accumulated Deferred Income Taxes	71,024,272
Unrecovered Purchased Gas Costs	1,073,397
Total Deferred Debits	179,230,123
TOTAL ASSETS AND OTHER DEBITS	2,507,115,773

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of November 30, 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	575,572,956
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	876,847,086
<u>Liabilities</u>	
Bonds	681,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(162,797)
Total Long-Term Debt	706,557,203
Obligations Under Capital Leases - Noncurrent	8,063,943
Asset Retirement Obligation	109,664,636
Long-Term Portion of Derivative Instrument Liabilities	1,244,017
Accum. Misc. Operating Provisions	25,058,869
Total Other Noncurrent Liabilities	144,031,465
Accounts Payable	63,958,370
Notes Payable to Assoc. Co.	76,917,000
Accounts Payable to Assoc. Co.	13,887,601
Customer Deposits	9,217,923
Taxes Accrued	24,769,344
Interest Accrued	7,300,683
Tax Collections Payable	2,773,117
Misc. Current & Accrued Liabilities	73,666,875
Obligations Under Capital Leases - Current	342,012
Derivative Instrument Liabilities	1,457,711
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,244,017)
Total Current & Accrued Liabilities	273,046,619
Customer Advances for Construction	2,520,949
Accum. Deferred Investment Tax Credits	3,380,851
Other Deferred Credits	14,917,238
Other Regulatory Liabilities	124,642,975
Accumulated Deferred Income Taxes	361,171,387
Total Deferred Credits	506,633,400
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	2,507,115,773

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
As of November 30, 2022
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	192,745,886	96,558,546	289,304,432
Commercial Sales	156,005,106	39,424,250	195,429,356
Industrial Sales	72,540,913	2,364,823	74,905,736
Sales to Public Authorities	25,306,453	3,014,732	28,321,185
Public Street & Highway Lighting	1,828,272	-	1,828,272
Inter-Departmental Sales	117,314	31,887	149,201
Misc. Service Revenues	(1,826,607)	390,854	(1,435,753)
Revenues from Transportation	-	9,078,645	9,078,645
Sales for Resale	32,301,760	-	32,301,760
Rents from Property	1,484,665	-	1,484,665
Other Revenues	12,208,636	107,798	12,316,434
Total Revenues	<u>492,712,398</u>	<u>150,971,535</u>	<u>643,683,933</u>
<u>Operating Expenses</u>			
Operation Expense	310,990,756	86,851,257	397,842,013
Maintenance Expense	32,623,771	2,134,901	34,758,672
Depreciation Expense	63,990,695	17,840,887	81,831,582
Amortization and Depletion	4,098,240	4,208,649	8,306,889
Taxes Other than Income Taxes	17,853,250	4,616,176	22,469,426
Income Taxes - Federal & Other	(10,506,956)	2,000,781	(8,506,175)
Provision for Deferred Income Taxes - Net	15,636,675	3,892,052	19,528,727
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>434,686,431</u>	<u>121,544,703</u>	<u>556,231,134</u>
NET OPERATING INCOME	<u>58,025,967</u>	<u>29,426,832</u>	<u>87,452,799</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,288,743	-	1,288,743
Less: Expense of Merchandising, Jobbing and Contract Work	(82,579)	-	(82,579)
Revenues from Nonutility Operations	832,218	(2,765)	829,453
Interest & Dividend Income	1,898,746	512,785	2,411,531
AFUDC	983,092	294,243	1,277,335
Gain on Disposition of Property	-	110,499	110,499
Loss on Disposition of Property	(9,483)	(112,495)	(121,978)
Misc. Income Deductions	(3,897,327)	(2,132,877)	(6,030,204)
Taxes Other than Income Taxes	(3,525)	-	(3,525)
Income Taxes - Federal & Other	(1,584,667)	1,346,659	(238,008)
Provision for Deferred Income Taxes - Net	1,374,205	(1,002,166)	372,039
Total Other Income & Deductions	<u>799,423</u>	<u>(986,117)</u>	<u>(186,694)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(18,377,442)	(8,801,897)	(27,179,339)
Amortization of Debt Disc. And Expense	(398,666)	(13,593)	(412,259)
Amortization of Loss on Reacquired Debt	(82,431)	(40,089)	(122,520)
Interest on Debt to Assoc. Co.	(742,442)	(364,393)	(1,106,835)
Other Interest Expense	(1,425,316)	(45,374)	(1,470,690)
Less: Allowance for Borrowed Fund Used During Construction - Credit	707,767	214,882	922,649
Net interest Charges	<u>(20,318,530)</u>	<u>(9,050,464)</u>	<u>(29,368,994)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>38,506,860</u>	<u>19,390,251</u>	<u>57,897,111</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of November 30, 2022
(Unaudited)

	Actual 10/30/2022	Activity	Actual 11/30/2022
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,147,804	25,998	679,173,802
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,093,555	(29,612)	8,063,943
Total Long-term debt	<u>712,241,359</u>	<u>(3,614)</u>	<u>712,237,745</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	50,853,362	4,351,254	55,204,616
Total Common Stock Equity	<u>872,495,832</u>	<u>4,351,254</u>	<u>876,847,086</u>
TOTAL CAPITALIZATION	\$ 1,584,737,191	\$ 4,347,640	\$ 1,589,084,831

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.