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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

March 17, 2023

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

RECEIVED

MAR 17 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 January 2023, 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 January 31, 2023
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,144,056,296
Construction Work in Progress	102,566,697
Less: Accumulated Depreciation	(1,069,628,441)
Net Utility Plant	2,176,994,552
Nonutility Property	1,266,854
Other Investments	1,500
Other Special Funds	16,160,654
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	17,429,008
Cash	2,774,655
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	8,319,560
Other Accounts Receivable	1,707,248
Less: Provision for Uncollectibles	(577,699)
Notes Receivable from Assoc. Co.	47,693,743
Accounts Receivable from Assoc. Co.	(2,581,182)
Fuel Stock	40,052,021
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	18,406,380
Other Materials & Supplies	-
Stores Expense Undistributed	1,737,037
Prepayments	321,630
Emission Allowances	18,470
Derivative Instrument Assets	4,801,453
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	23,198,778
Accrued Utility Revenue	-
Rents Receivable	21,093
Total Current & Accrued Assets	145,893,187
Unamortized Debt Expense	2,802,937
Other Regulatory Assets	101,888,067
Preliminary Survey & Investigation	529,231
Clearing Accounts	38,479
Temporary Facilities	4,777
Miscellaneous Deferred Debits	2,426,699
Unamortized Loss on Reacquired Debt	262,494
Accumulated Deferred Income Taxes	74,456,012
Unrecovered Purchased Gas Costs	3,864,566
Total Deferred Debits	186,273,262
TOTAL ASSETS AND OTHER DEBITS	2,526,590,009

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of January 31, 2023
(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	588,503,260
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	889,777,390
<u>Liabilities</u>	
Bonds	756,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(160,753)
Total Long-Term Debt	781,559,247
Obligations Under Capital Leases - Noncurrent	8,004,399
Asset Retirement Obligation	107,900,947
Long-Term Portion of Derivative Instrument Liabilities	1,547,895
Accum. Misc. Operating Provisions	26,881,200
Total Other Noncurrent Liabilities	144,334,441
Accounts Payable	44,869,924
Notes Payable to Assoc. Co.	71,466,000
Accounts Payable to Assoc. Co.	20,785,911
Customer Deposits	9,602,703
Taxes Accrued	40,594,670
Interest Accrued	7,478,147
Tax Collections Payable	4,385,848
Misc. Current & Accrued Liabilities	15,022,200
Obligations Under Capital Leases - Current	346,552
Derivative Instrument Liabilities	1,956,186
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,547,895)
Total Current & Accrued Liabilities	214,960,246
Customer Advances for Construction	2,520,949
Accum. Deferred Investment Tax Credits	3,364,567
Other Deferred Credits	14,568,923
Other Regulatory Liabilities	124,331,436
Accumulated Deferred Income Taxes	351,172,810
Total Deferred Credits	495,958,685
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,526,590,009

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
As of January 31, 2023
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	195,505,719	90,973,144	286,478,863
Commercial Sales	158,421,012	39,464,477	197,885,489
Industrial Sales	72,296,528	2,371,929	74,668,457
Sales to Public Authorities	24,766,868	2,897,511	27,664,379
Public Street & Highway Lighting	1,867,212	-	1,867,212
Inter-Departmental Sales	100,023	28,664	128,687
Misc. Service Revenues	(8,639,974)	166,241	(8,473,733)
Revenues from Transportation	-	9,977,744	9,977,744
Sales for Resale	49,339,484	-	49,339,484
Rents from Property	1,478,151	-	1,478,151
Other Revenues	13,122,720	106,296	13,229,016
Total Revenues	<u>508,257,743</u>	<u>145,986,006</u>	<u>654,243,749</u>
<u>Operating Expenses</u>			
Operation Expense	318,928,128	82,879,877	401,808,005
Maintenance Expense	31,751,629	2,246,453	33,998,082
Depreciation Expense	67,600,457	17,340,833	84,941,290
Amortization and Depletion	4,413,916	4,494,182	8,908,098
Taxes Other than Income Taxes	17,608,367	4,970,307	22,578,674
Income Taxes - Federal & Other	9,643,196	943,370	10,586,566
Provision for Deferred Income Taxes - Net	(1,969,142)	4,897,252	2,928,110
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>447,976,551</u>	<u>117,772,274</u>	<u>565,748,825</u>
NET OPERATING INCOME	<u>60,281,192</u>	<u>28,213,732</u>	<u>88,494,924</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,779,259	-	1,779,259
Less: Expense of Merchandising, Jobbing and Contract Work	(88,195)	-	(88,195)
Revenues from Nonutility Operations	824,536	826	825,362
Interest & Dividend Income	2,547,616	664,140	3,211,756
Non Operating Rental Income	(473)	(883)	(1,356)
AFUDC	981,673	280,124	1,261,797
Gain on Disposition of Property	-	192,167	192,167
Loss on Disposition of Property	(9,483)	(112,495)	(121,978)
Misc. Income Deductions	(4,387,512)	(8,058,610)	(12,446,122)
Taxes Other than Income Taxes	(3,756)	-	(3,756)
Income Taxes - Federal & Other	(1,419,153)	1,121,588	(297,565)
Provision for Deferred Income Taxes - Net	1,164,671	641,723	1,806,394
Total Other Income & Deductions	<u>1,389,183</u>	<u>(5,271,420)</u>	<u>(3,882,237)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(18,175,016)	(9,884,723)	(28,059,739)
Amortization of Debt Disc. And Expense	(397,223)	(38,623)	(435,846)
Amortization of Loss on Reacquired Debt	(78,690)	(43,070)	(121,760)
Interest on Debt to Assoc. Co.	(1,202,370)	(589,699)	(1,792,069)
Other Interest Expense	(1,435,312)	(66,364)	(1,501,676)
Less: Allowance for Borrowed Fund Used During Construction - Credit	1,077,379	293,434	1,370,813
Net interest Charges	<u>(20,211,232)</u>	<u>(10,329,045)</u>	<u>(30,540,277)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>41,459,143</u>	<u>12,613,267</u>	<u>54,072,410</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of January 31, 2023
(Unaudited)

	Actual 12/31/2022	Activity	Actual 1/31/2023
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,176,671	26,052	679,202,723
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	8,034,225	(29,826)	8,004,399
Total Long-term debt	712,210,896	(3,774)	712,207,122
	(0)		0
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	520,368,338	58,552,020	578,920,358
Unappropriated Retained Earnings - Current Year Net Income	58,552,018	(48,969,116)	9,582,902
Total Common Stock Equity	880,194,486	9,582,904	889,777,390
TOTAL CAPITALIZATION	\$ 1,592,405,382	\$ 9,579,130	\$ 1,601,984,512

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.