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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

April 13, 2023

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

RECEIVED

JUN 13 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 April 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 April 30, 2023
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,154,219,862.00
Construction Work in Progress	110,201,085.00
Less: Accumulated Depreciation	(1,089,884,689.00)
Net Utility Plant	2,174,536,258.00
Nonutility Property	1,277,835.00
Other Investments	1,500.00
Other Special Funds	16,841,129.00
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	18,120,464.00
Cash	745,496.00
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	9,120,698.00
Other Accounts Receivable	1,764,318.00
Less: Provision for Uncollectibles	(607,393.00)
Notes Receivable from Assoc. Co.	39,910,684.00
Accounts Receivable from Assoc. Co.	(2,843,146.00)
Fuel Stock	43,224,440.00
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	20,535,912.00
Other Materials & Supplies	-
Stores Expense Undistributed	2,067,789.00
Prepayments	1,378,212.00
Emission Allowances	18,470.00
Derivative Instrument Assets	1,011,856.00
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	12,537,048.00
Accrued Utility Revenue	-
Rents Receivable	4,255.00
Total Current & Accrued Assets	128,868,639.00
Unamortized Debt Expense	2,795,335.00
Other Regulatory Assets	126,218,616.00
Preliminary Survey & Investigation	574,259.00
Clearing Accounts	(22,757.00)
Temporary Facilities	4,683.00
Miscellaneous Deferred Debits	2,675,826.00
Unamortized Loss on Reacquired Debt	232,954.00
Accumulated Deferred Income Taxes	74,756,730.00
Unrecovered Purchased Gas Costs	(2,100,344.00)
Total Deferred Debits	205,135,302.00
TOTAL ASSETS AND OTHER DEBITS	2,526,660,663.00

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of April 30, 2023
(Unaudited)

	Total Company
<u>Proprietary Capital</u>	
Common Stock Issued	8,779,995.00
Premium on Capital Stock	18,838,946.00
Other Paid-in Capital Stock	273,655,189.00
Retained Earnings	603,876,273.00
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	905,150,403.00
<u>Liabilities</u>	
Bonds	756,720,000.00
Advances from Associated Companies	25,000,000.00
Less: Unamortized Discount on Long-Term Debt	(157,687.00)
Total Long-Term Debt	781,562,313.00
Obligations Under Capital Leases - Noncurrent	7,914,009.00
Asset Retirement Obligation	106,874,320.10
Long-Term Portion of Derivative Instrument Liabilities	1,448,079.10
Accum. Misc. Operating Provisions	27,459,986.10
Total Other Noncurrent Liabilities	143,696,394.30
Accounts Payable	51,911,714.00
Notes Payable to Assoc. Co.	87,669,000.00
Accounts Payable to Assoc. Co.	14,837,768.00
Customer Deposits	9,851,607.00
Taxes Accrued	28,497,969.00
Interest Accrued	5,294,896.00
Tax Collections Payable	1,672,613.40
Misc. Current & Accrued Liabilities	723,146.30
Obligations Under Capital Leases - Current	353,435.00
Derivative Instrument Liabilities	1,559,148.00
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,448,079.00)
Total Current & Accrued Liabilities	200,923,217.70
Customer Advances for Construction	2,520,949.00
Accum. Deferred Investment Tax Credits	3,328,636.00
Other Deferred Credits	14,012,816.00
Other Regulatory Liabilities	122,048,365.00
Accumulated Deferred Income Taxes	353,417,569.00
Total Deferred Credits	495,328,335.00
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,526,660,663.00

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
As of April 30, 2023
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	190,003,424	93,292,660	283,296,084
Commercial Sales	157,054,562	35,761,817	192,816,379
Industrial Sales	71,468,658	2,260,988	73,729,646
Sales to Public Authorities	24,456,893	2,625,078	27,081,971
Public Street & Highway Lighting	1,987,791	-	1,987,791
Inter-Departmental Sales	19,475	19,836	39,311
Misc. Service Revenues	(398,578)	11,152	(387,426)
Revenues from Transportation	-	10,307,610	10,307,610
Sales for Resale	44,088,562	-	44,088,562
Rents from Property	1,581,436	-	1,581,436
Other Revenues	14,922,414	106,233	15,028,647
Total Revenues	<u>505,184,637</u>	<u>144,385,374</u>	<u>649,570,011</u>
<u>Operating Expenses</u>			
Operation Expense	309,160,547	78,398,176	387,558,723
Maintenance Expense	30,758,358	2,566,453	33,324,811
Depreciation Expense	74,340,322	17,500,615	91,840,937
Amortization and Depletion	4,749,957	4,411,232	9,161,189
Taxes Other than Income Taxes	17,638,567	5,326,438	22,965,005
Income Taxes - Federal & Other	8,697,365	(107,589)	8,589,776
Provision for Deferred Income Taxes - Net	(1,170,598)	5,366,798	4,196,200
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>444,174,518</u>	<u>113,462,123</u>	<u>557,636,641</u>
NET OPERATING INCOME	<u>61,010,119</u>	<u>30,923,251</u>	<u>91,933,370</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	1,587,787	-	1,587,787
Less: Expense of Merchandising, Jobbing and Contract Work	(87,418)	-	(87,418)
Revenues from Nonutility Operations	792,537	5,770	798,307
Interest & Dividend Income	3,499,653	922,035	4,421,688
Non Operating Rental Income	(631)	(1,177)	(1,808)
AFUDC	1,327,070	395,368	1,722,438
Gain on Disposition of Property	-	87,125	87,125
Loss on Disposition of Property	4,302	(7,453)	(3,151)
Misc. Income Deductions	(5,518,758)	(8,435,800)	(13,954,558)
Taxes Other than Income Taxes	877	-	877
Income Taxes - Federal & Other	(1,321,829)	1,120,593	(201,236)
Provision for Deferred Income Taxes - Net	822,126	598,210	1,420,336
Total Other Income & Deductions	<u>1,105,716</u>	<u>(5,315,329)</u>	<u>(4,209,613)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(19,061,791)	(10,196,857)	(29,258,648)
Amortization of Debt Disc. And Expense	(306,489)	(152,292)	(458,781)
Amortization of Loss on Reacquired Debt	(78,010)	(42,609)	(120,619)
Interest on Debt to Assoc. Co.	(1,867,698)	(912,168)	(2,779,866)
Other Interest Expense	(1,555,322)	(104,230)	(1,659,552)
Less: Allowance for Borrowed Fund Used During Construction - Credit	1,609,709	466,450	2,076,159
Net interest Charges	<u>(21,259,601)</u>	<u>(10,941,706)</u>	<u>(32,201,307)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>40,856,234</u>	<u>14,666,216</u>	<u>55,522,450</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of April 30, 2023
(Unaudited)

	Actual 3/31/2023	Activity	Actual 4/30/2023
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,261,823	27,695	679,289,518
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,944,422	(30,413)	7,914,009
Total Long-term debt	712,206,245	(2,718)	712,203,527
	(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	578,920,358	-	578,920,358
Unappropriated Retained Earnings - Current Year Net Income	24,183,136	772,779	24,955,915
Total Common Stock Equity	904,377,624	772,779	905,150,403
TOTAL CAPITALIZATION	\$ 1,616,583,869	\$ 770,061	\$ 1,617,353,930

NOTE:

* "Long-Term Debt" under Non-Current Liabilities does not include current portion of Long-Term Debt, however it does include Unamortized Discount and Unamortized Debt Expense.

** "Obligations under Capital Lease Noncurrent includes \$8.1M of lease liabilities resulting from the implementation of ASC 842 in January 2019.