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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

September 13, 2023

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

RECEIVED

SEP 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 July 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 July 31, 2023
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,205,930,285
Construction Work in Progress	116,902,346
Less: Accumulated Depreciation	(1,108,147,124)
Net Utility Plant	2,214,685,507
Nonutility Property	1,281,977
Other Investments	1,500
Other Special Funds	17,355,584
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	18,639,061
Cash	3,091,978
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	14,568,841
Other Accounts Receivable	2,265,695
Less: Provision for Uncollectibles	(662,963)
Notes Receivable from Assoc. Co.	30,864,200
Accounts Receivable from Assoc. Co.	(2,040,928)
Fuel Stock	44,621,003
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	22,120,433
Other Materials & Supplies	-
Stores Expense Undistributed	2,680,606
Prepayments	1,507,115
Emission Allowances	18,470
Derivative Instrument Assets	4,401,070
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	14,737,165
Accrued Utility Revenue	1,597,929
Rents Receivable	16,032
Total Current & Accrued Assets	139,786,646
Unamortized Debt Expense	2,683,284
Other Regulatory Assets	122,978,117
Preliminary Survey & Investigation	597,806
Clearing Accounts	(18,376)
Temporary Facilities	11,804
Miscellaneous Deferred Debits	2,967,138
Unamortized Loss on Reacquired Debt	203,414
Accumulated Deferred Income Taxes	73,554,449
Unrecovered Purchased Gas Costs	(2,421,354)
Total Deferred Debits	200,556,282
TOTAL ASSETS AND OTHER DEBITS	2,573,667,496

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of July 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	620,104,339
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	921,378,469
<u>Liabilities</u>	
Bonds	756,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(154,621)
Total Long-Term Debt	781,565,379
Obligations Under Capital Leases - Noncurrent	7,821,307
Asset Retirement Obligation	103,765,691
Long-Term Portion of Derivative Instrument Liabilities	1,247,015
Accum. Misc. Operating Provisions	27,457,470
Total Other Noncurrent Liabilities	140,291,483
Accounts Payable	49,944,024
Notes Payable to Assoc. Co.	130,419,000
Accounts Payable to Assoc. Co.	10,376,984
Customer Deposits	10,062,353
Taxes Accrued	17,692,705
Interest Accrued	7,728,865
Tax Collections Payable	2,559,449
Misc. Current & Accrued Liabilities	5,106,511
Obligations Under Capital Leases - Current	360,444
Derivative Instrument Liabilities	1,635,174
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,247,015)
Total Current & Accrued Liabilities	234,638,494
Customer Advances for Construction	2,522,127
Accum. Deferred Investment Tax Credits	3,292,706
Other Deferred Credits	13,098,551
Other Regulatory Liabilities	120,436,583
Accumulated Deferred Income Taxes	356,443,703
Total Deferred Credits	495,793,670
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,573,667,496

Duke Energy Kentucky, Inc.

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

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	176,907,234	91,036,827	267,944,061
Commercial Sales	155,811,590	34,417,120	190,228,710
Industrial Sales	71,794,538	2,136,330	73,930,868
Sales to Public Authorities	24,962,020	2,626,598	27,588,618
Public Street & Highway Lighting	1,084,868	-	1,084,868
Inter-Departmental Sales	27,074	18,988	46,062
Misc. Service Revenues	9,737,407	12,557	9,749,964
Revenues from Transportation	-	10,982,818	10,982,818
Sales for Resale	36,030,819	-	36,030,819
Rents from Property	1,616,993	-	1,616,993
Other Revenues	13,178,085	104,681	13,282,766
Total Revenues	<u>491,150,628</u>	<u>141,335,919</u>	<u>632,486,547</u>
<u>Operating Expenses</u>			
Operation Expense	292,386,871	74,924,416	367,311,287
Maintenance Expense	27,968,249	2,376,773	30,345,022
Depreciation Expense	76,232,539	17,809,234	94,041,773
Amortization and Depletion	4,919,540	4,484,978	9,404,518
Taxes Other than Income Taxes	11,652,852	3,737,471	15,390,323
Income Taxes - Federal & Other	9,952,080	642,534	10,594,614
Provision for Deferred Income Taxes - Net	(1,207,958)	5,062,951	3,854,993
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>421,904,173</u>	<u>109,038,357</u>	<u>530,942,530</u>
NET OPERATING INCOME	<u>69,246,455</u>	<u>32,297,562</u>	<u>101,544,017</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	2,250,880	-	2,250,880
Less: Expense of Merchandising, Jobbing and Contract Work	(105,414)	-	(105,414)
Revenues from Nonutility Operations	779,680	7,395	787,075
Interest & Dividend Income	3,930,088	1,039,128	4,969,216
Non Operating Rental Income	(789)	(1,471)	(2,260)
AFUDC	1,206,893	426,041	1,632,934
Gain on Disposition of Property	-	81,668	81,668
Loss on Disposition of Property	(45,062)	(21,185)	(66,247)
Misc. Income Deductions	(5,873,704)	(8,603,499)	(14,477,203)
Taxes Other than Income Taxes	2,068	-	2,068
Income Taxes - Federal & Other	(937,175)	1,306,557	369,382
Provision for Deferred Income Taxes - Net	200,641	540,183	740,824
Total Other Income & Deductions	<u>1,408,106</u>	<u>(5,225,183)</u>	<u>(3,817,077)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(19,829,798)	(10,456,754)	(30,286,552)
Amortization of Debt Disc. And Expense	(311,599)	(156,836)	(468,435)
Amortization of Loss on Reacquired Debt	(77,331)	(42,147)	(119,478)
Interest on Debt to Assoc. Co.	(2,858,822)	(1,392,310)	(4,251,132)
Other Interest Expense	(2,235,558)	(135,349)	(2,370,907)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,001,884	811,787	2,813,671
Net interest Charges	<u>(23,311,224)</u>	<u>(11,371,609)</u>	<u>(34,682,833)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>47,343,337</u>	<u>15,700,770</u>	<u>63,044,107</u>

Duke Energy Kentucky, Inc.

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

	Actual 6/30/2023	Activity	Actual 7/31/2023
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,344,301	27,750	679,372,051
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,852,431	(31,124)	7,821,307
Total Long-term debt	<u>712,196,732</u>	<u>(3,374)</u>	<u>712,193,358</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	578,920,358	-	578,920,358
Unappropriated Retained Earnings - Current Year Net Income	36,846,541	4,337,440	41,183,981
Total Common Stock Equity	<u>917,041,029</u>	<u>4,337,440</u>	<u>921,378,469</u>
TOTAL CAPITALIZATION	\$ 1,629,237,761	\$ 4,334,066	\$ 1,633,571,827

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.