



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 15, 2023

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

RECEIVED

DEC 15 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 October 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](mailto: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, 2023  
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,237,919,814
Construction Work in Progress	135,789,049
Less: Accumulated Depreciation	(1,120,189,802)
Net Utility Plant	2,253,519,061
Nonutility Property	1,308,413
Other Investments	1,500
Other Special Funds	17,870,039
Long Term Portion of Derivative Instrument Assets	-
Total Other Property & Investments	19,179,952
Cash	11,271,929
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	14,813,733
Other Accounts Receivable	2,453,739
Less: Provision for Uncollectibles	(698,024)
Notes Receivable from Assoc. Co.	23,895,720
Accounts Receivable from Assoc. Co.	(1,061,480)
Fuel Stock	39,048,757
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	24,038,669
Other Materials & Supplies	-
Stores Expense Undistributed	2,534,023
Prepayments	853,548
Emission Allowances	18,470
Derivative Instrument Assets	2,501,091
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	15,979,730
Accrued Utility Revenue	-
Rents Receivable	16,033
Total Current & Accrued Assets	135,665,938
Unamortized Debt Expense	2,581,832
Other Regulatory Assets	115,400,043
Preliminary Survey & Investigation	483,550
Clearing Accounts	(75,466)
Temporary Facilities	12,064
Miscellaneous Deferred Debits	2,921,752
Unamortized Loss on Reacquired Debt	173,874
Accumulated Deferred Income Taxes	70,126,250
Unrecovered Purchased Gas Costs	203,676
Total Deferred Debits	191,827,575
TOTAL ASSETS AND OTHER DEBITS	2,600,192,526

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 2  
As of October 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	308,655,189
Retained Earnings	623,863,989
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	960,138,119
<u>Liabilities</u>	
Bonds	756,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(151,555)
Total Long-Term Debt	781,568,445
Obligations Under Capital Leases - Noncurrent	7,725,963
Asset Retirement Obligation	89,297,328
Long-Term Portion of Derivative Instrument Liabilities	737,675
Accum. Misc. Operating Provisions	27,129,975
Total Other Noncurrent Liabilities	124,890,941
Accounts Payable	66,706,975
Notes Payable to Assoc. Co.	114,765,000
Accounts Payable to Assoc. Co.	14,658,098
Customer Deposits	10,307,108
Taxes Accrued	24,860,451
Interest Accrued	5,280,698
Tax Collections Payable	2,480,627
Misc. Current & Accrued Liabilities	4,049,167
Obligations Under Capital Leases - Current	367,591
Derivative Instrument Liabilities	903,094
Less: Long-Term Portion of Derivative Instrument Liabilities	(737,675)
Total Current & Accrued Liabilities	243,641,134
Customer Advances for Construction	2,522,127
Accum. Deferred Investment Tax Credits	3,256,777
Other Deferred Credits	13,903,846
Other Regulatory Liabilities	117,626,743
Accumulated Deferred Income Taxes	352,644,394
Total Deferred Credits	489,953,887
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,600,192,526

Duke Energy Kentucky, Inc.

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

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	175,684,537	88,944,867	264,629,404
Commercial Sales	153,757,757	34,090,249	187,848,006
Industrial Sales	66,659,648	2,010,216	68,669,864
Sales to Public Authorities	23,101,511	2,400,708	25,502,219
Public Street & Highway Lighting	795,670	-	795,670
Inter-Departmental Sales	29,433	29,584	59,017
Misc. Service Revenues	6,164,423	15,764	6,180,187
Revenues from Transportation	-	11,066,920	11,066,920
Sales for Resale	32,300,109	-	32,300,109
Rents from Property	1,636,460	-	1,636,460
Other Revenues	11,483,807	76,634	11,560,441
Total Revenues	<u>471,613,355</u>	<u>138,634,942</u>	<u>610,248,297</u>
<u>Operating Expenses</u>			
Operation Expense	276,584,622	70,982,621	347,567,243
Maintenance Expense	31,817,439	2,513,740	34,331,179
Depreciation Expense	78,820,724	18,140,410	96,961,134
Amortization and Depletion	4,836,739	4,361,407	9,198,146
Taxes Other than Income Taxes	11,947,641	4,054,064	16,001,705
Income Taxes - Federal & Other	24,369,454	11,943,832	36,313,286
Provision for Deferred Income Taxes - Net	(14,647,361)	(7,766,600)	(22,413,961)
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>413,729,258</u>	<u>104,229,474</u>	<u>517,958,732</u>
NET OPERATING INCOME	<u>57,884,097</u>	<u>34,405,468</u>	<u>92,289,565</u>
<u>Other Income &amp; Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	2,469,090	-	2,469,090
Less: Expense of Merchandising, Jobbing and Contract Work	(94,196)	-	(94,196)
Revenues from Nonutility Operations	765,210	6,292	771,502
Interest & Dividend Income	4,068,279	1,086,950	5,155,229
Non Operating Rental Income	(947)	(1,765)	(2,712)
AFUDC	732,028	277,049	1,009,077
Gain on Disposition of Property	-	81,668	81,668
Loss on Disposition of Property	(38,130)	(14,717)	(52,847)
Misc. Income Deductions	(5,943,397)	(8,792,256)	(14,735,653)
Taxes Other than Income Taxes	3,394	-	3,394
Income Taxes - Federal & Other	(411,744)	12,976,946	12,565,202
Provision for Deferred Income Taxes - Net	(491,712)	(11,066,655)	(11,558,367)
Total Other Income & Deductions	<u>1,057,875</u>	<u>(5,446,488)</u>	<u>(4,388,613)</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(20,245,758)	(10,568,655)	(30,814,413)
Amortization of Debt Disc. And Expense	(308,771)	(153,753)	(462,524)
Amortization of Loss on Reacquired Debt	(76,652)	(41,685)	(118,337)
Interest on Debt to Assoc. Co.	(3,764,256)	(1,829,171)	(5,593,427)
Other Interest Expense	(1,921,086)	(179,544)	(2,100,630)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,415,628	1,415,038	3,830,666
Net interest Charges	<u>(23,900,895)</u>	<u>(11,357,770)</u>	<u>(35,258,665)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>35,041,077</u>	<u>17,601,210</u>	<u>52,642,287</u>

Duke Energy Kentucky, Inc.

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

	Actual 9/30/2023	Activity	Actual 10/31/2023
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,427,496	17,542	679,445,038
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,757,860	(31,896)	7,725,964
Total Long-term debt	<u>712,185,356</u>	<u>(14,354)</u>	<u>712,171,002</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	160,000,000	-	160,000,000
Unappropriated Retained Earnings Balance	578,920,358	-	578,920,358
Unappropriated Retained Earnings - Current Year Net Income	44,813,501	130,130	44,943,631
Total Common Stock Equity	<u>960,007,989</u>	<u>130,130</u>	<u>960,138,119</u>
TOTAL CAPITALIZATION	<b>\$ 1,672,193,345</b>	<b>\$ 115,776</b>	<b>\$ 1,672,309,121</b>

**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.