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Rocco O. D'Ascenzo  
Deputy General Counsel

**VIA EMAIL DELIVERY**

February 16, 2024

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

RECEIVED

FEB 16 2024

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 December 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 December 31, 2023  
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,357,433,825	896,712,045	48,966,469	3,303,112,339
Construction Work in Progress	56,431,363	40,234,524		96,665,887
Less: Accumulated Depreciation	(900,037,525)	(222,647,642)	(2,506,042)	(1,125,191,209)
Net Utility Plant	<u>1,513,827,663</u>	<u>714,298,927</u>	<u>46,460,427</u>	<u>2,274,587,017</u>
Nonutility Property	-	-	1,308,300	1,308,300
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	18,344,727	18,344,727
Long Term Portion of Derivative Instrument Assets	-	-	85,796	85,796
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>19,740,323</u>	<u>19,740,323</u>
Cash	2,296,488	942,852	(171,957)	3,067,383
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	15,361,690	4,439,232	-	19,800,922
Other Accounts Receivable	1,436,171	589,638	(107,538)	1,918,270
Less: Provision for Uncollectibles	(578,422)	(167,153)	-	(745,575)
Notes Receivable from Assoc. Co.	25,273,095	10,376,187	(1,892,410)	33,756,872
Accounts Receivable from Assoc. Co.	40,918,478	16,799,595	(3,063,911)	54,654,163
Fuel Stock	39,838,611	-	-	39,838,611
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	24,969,906	484,613	-	25,454,519
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	1,815,812	35,241	-	1,851,053
Prepayments	282,285	133,635	-	415,920
Emission Allowances	18,470	-	-	18,470
Derivative Instrument Assets	1,704,562	-	-	1,704,562
Interest & Dividends Receivable	-	-	-	-
Accrued Utility Revenues	-	-	-	-
Misc Current and Accrued Assets	12,471,470	2,622,147	-	15,093,617
Rents Receivable	4,255	-	-	4,255
Total Current & Accrued Assets	<u>165,812,871</u>	<u>36,255,987</u>	<u>(5,235,816)</u>	<u>196,833,042</u>
Unamortized Debt Expense	1,833,906	752,933	(137,320)	2,449,519
Other Regulatory Assets	98,586,646	18,012,754	-	116,599,400
Preliminary Survey & Investigation	858,797	352,590	(64,306)	1,147,081
Clearing Accounts	34	16	-	50
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	2,047,871	840,780	(153,341)	2,735,310
Unamortized Loss on Reacquired Debt	115,432	47,392	(8,643)	154,181
Accumulated Deferred Income Taxes	55,425,410	19,284,940	-	74,710,350
Unrecovered Purchased Gas Costs	-	(2,812,674)	-	(2,812,674)
Unrecovered Purchased Gas - Unbilled Rev	-	-	-	-
Unrecovered Purchased Gas-Manual Reclass	-	-	-	-
Unrecovered Purchased Gas Costs	-	-	-	-
Total Deferred Debits	<u>158,868,096</u>	<u>36,478,731</u>	<u>(363,610)</u>	<u>194,983,217</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><u>1,838,508,630</u></u>	<u><u>787,033,645</u></u>	<u><u>60,601,324</u></u>	<u><u>2,686,143,599</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Balance Sheet - Page 2  
As of December 31, 2023  
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Proprietary Capital</u>				
Common Stock Issued	6,573,407	2,698,795	(492,207)	8,779,995
Premium on Capital Stock	14,104,342	5,790,715	(1,056,111)	18,838,946
Other Paid-in Capital Stock	343,385,967	140,981,432	(25,712,210)	458,655,189
Retained Earnings	366,636,164	167,625,760	109,820,648	644,082,572
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>730,699,880</u>	<u>317,096,702</u>	<u>82,560,120</u>	<u>1,130,356,702</u>
<u>Liabilities</u>				
Bonds	510,390,129	209,547,094	(38,217,223)	681,720,000
Advances from Associated Companies	18,717,000	7,684,500	(1,401,500)	25,000,000
Unamortized Premium on Long-Term Debt	-	-	-	-
Less: Unamortized Discount on Long-Term Debt	(111,936)	(45,957)	8,382	(149,511)
Total Long-Term Debt	<u>528,995,193</u>	<u>217,185,637</u>	<u>(39,610,341)</u>	<u>706,570,489</u>
Obligations Under Capital Leases - Noncurrent	5,310,487	2,180,256	-	7,490,743
Asset Retirement Obligation	75,073,023	12,499,814	445,202	88,018,039
Long-Term Portion of Derivative Instrument Liabilities	949,485	436,787	-	1,386,272
Accum. Misc. Operating Provisions	18,319,872	8,427,590	-	26,747,462
Total Other Noncurrent Liabilities	<u>99,652,867</u>	<u>23,544,447</u>	<u>445,202</u>	<u>123,642,516</u>
Accounts Payable	46,209,806	18,972,018	(3,460,119)	61,721,705
Notes Payable to Assoc. Co.	69,554,618	28,556,524	(5,208,142)	92,903,000
Accounts Payable to Assoc. Co.	12,575,802	5,163,154	(941,657)	16,797,299
Customer Deposits	5,067,833	3,408,223	-	8,476,056
Taxes Accrued	127,835	66,481	(5,644)	188,672
Interest Accrued	5,707,133	2,343,135	(427,341)	7,622,927
Tax Collections Payable	2,902,383	918,285	846	3,821,514
Misc. Current & Accrued Liabilities	5,242,761	2,411,799	-	7,654,560
Obligations Under Capital Leases - Current	257,863	105,867	-	363,730
Derivative Instrument Liabilities	1,197,852	551,042	-	1,748,894
Less: Long-Term Portion of Derivative Instrument Liabilities	(949,485)	(436,787)	-	(1,386,272)
Total Current & Accrued Liabilities	<u>147,894,401</u>	<u>62,059,741</u>	<u>(10,042,057)</u>	<u>199,912,085</u>
Customer Advances for Construction	-	2,520,782	-	2,520,782
Accum. Deferred Investment Tax Credits	2,296,301	(14,731)	2,839,403	5,120,973
Other Deferred Credits	10,889,008	3,465,076	-	14,354,084
Other Regulatory Liabilities	75,431,223	44,619,347	-	120,050,570
Accumulated Deferred Income Taxes	242,649,757	116,556,644	24,408,997	383,615,398
Total Deferred Credits	<u>331,266,289</u>	<u>167,147,118</u>	<u>27,248,400</u>	<u>525,661,807</u>
<b>TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS</b>	<u><u>1,838,508,630</u></u>	<u><u>787,033,645</u></u>	<u><u>60,601,324</u></u>	<u><u>2,686,143,599</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Income Statement  
For the 12 Months Ended December 31, 2023  
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	171,174,866	84,141,933		255,316,799
Commercial Sales	152,483,229	32,340,555		184,823,784
Industrial Sales	65,832,366	1,893,262		67,725,628
Sales to Public Authorities	23,013,094	2,207,651		25,220,745
Public Street & Highway Lighting	551,855	-		551,855
Inter-Departmental Sales	31,256	27,016		58,272
Misc. Service Revenues	9,927,192	14,745	-	9,941,937
Revenues from Transportation	-	11,039,188		11,039,188
Sales for Resale	17,475,742	-		17,475,742
Rents from Property	1,773,088	-		1,773,088
Other Revenues	11,565,761	(516,699)		11,049,062
Total Revenues	<u>453,828,449</u>	<u>131,147,651</u>	<u>-</u>	<u>584,976,100</u>
<u>Operating Expenses</u>				
Operation Expense	249,869,244	64,656,714	56,837	314,582,795
Maintenance Expense	30,496,632	2,324,786	20,444	32,841,862
Depreciation Expense	80,503,552	18,193,431	-	98,696,983
Amortization and Depletion	4,743,185	4,221,608	-	8,964,793
Taxes Other than Income Taxes	11,785,321	3,728,760	3,434	15,517,515
Income Taxes - Federal & Other	9,604,708	(9,480,723)	(90,752)	33,233
Provision for Deferred Income Taxes - Net	(1,549,587)	16,069,941	(10,555)	14,509,799
Investment Tax Credit Adjustment	-	30,058	(30,058)	-
Total Operating Expenses	<u>385,453,055</u>	<u>99,744,575</u>	<u>(50,650)</u>	<u>485,146,980</u>
NET OPERATING INCOME	<u>68,375,394</u>	<u>31,403,076</u>	<u>50,650</u>	<u>99,829,120</u>
<u>Other Income &amp; Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	2,824,752	2,824,752
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(97,084)	(97,084)
Revenues from Nonutility Operations	-	-	755,928	755,928
Interest & Dividend Income	4,098,163	1,121,876	-	5,220,039
Non Operating Rental Income	(1,052)	(1,962)	-	(3,014)
AFUDC	684,908	372,283	-	1,057,191
Gain on Disposition of Property	-	-	83,825	83,825
Loss on Disposition of Property	-	-	(52,847)	(52,847)
Misc. Income Deductions	-	-	(7,895,098)	(7,895,098)
Taxes Other than Income Taxes	-	-	4,979	4,979
Income Taxes - Federal & Other	-	-	12,788,713	12,788,713
Provision for Deferred Income Taxes - Net	-	-	(13,571,787)	(13,571,787)
Total Other Income & Deductions	<u>4,782,019</u>	<u>1,492,197</u>	<u>(5,158,619)</u>	<u>1,115,597</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(23,163,223)	(9,509,952)	1,734,426	(30,938,749)
Amortization of Debt Disc. And Expense	(348,762)	(143,189)	26,115	(465,836)
Amortization of Loss on Recquired Debt	(88,464)	(36,320)	6,624	(118,160)
Interest on Debt to Assoc. Co.	(4,613,923)	(1,894,305)	345,483	(6,162,745)
Other Interest Expense	(1,657,962)	(680,697)	124,146	(2,214,513)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,399,516	1,717,986	-	4,117,502
Net interest Charges	<u>(27,472,818)</u>	<u>(10,546,477)</u>	<u>2,236,794</u>	<u>(35,782,501)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>45,684,595</u>	<u>22,348,796</u>	<u>(2,871,175)</u>	<u>65,162,216</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements  
Capital Structure  
December 31, 2023  
(Unaudited)

	Actual November 2023	Activity	Actual December 2023
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,465,590	96,466	679,562,056
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,522,133	(31,390)	7,490,743
Total Long-term debt	<u>711,987,723</u>	<u>65,076</u>	<u>712,052,799</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	150,000,000	310,000,000
Unappropriated Retained Earnings Balance	578,920,358	-	578,920,358
Unappropriated Retained Earnings - Current Year Net Income	55,158,192	10,004,024	65,162,216
Total Common Stock Equity	<u>970,352,680</u>	<u>160,004,024</u>	<u>1,130,356,704</u>
TOTAL CAPITALIZATION	1,682,340,403	160,069,100	1,842,409,503

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 \$9.2M of lease liabilities resulting from the implementation of ASC 842 in January 2019.