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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

March 15, 2024

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

RECEIVED

MAR 15 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 January 2024, 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, 2024
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,316,950,620
Construction Work in Progress	92,916,629
Less: Accumulated Depreciation	(1,124,562,282)
Net Utility Plant	2,285,304,967
Nonutility Property	1,308,447
Other Investments	1,500
Other Special Funds	18,344,727
Long Term Portion of Derivative Instrument Assets	85,796
Total Other Property & Investments	19,740,470
Cash	3,477,050
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	16,386,940
Other Accounts Receivable	1,947,629
Less: Provision for Uncollectibles	(745,575)
Notes Receivable from Assoc. Co.	43,284,221
Accounts Receivable from Assoc. Co.	(1,853,605)
Fuel Stock	39,553,150
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	26,353,314
Other Materials & Supplies	-
Stores Expense Undistributed	1,675,920
Prepayments	(6,643,448)
Emission Allowances	18,470
Derivative Instrument Assets	1,704,562
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	14,580,330
Accrued Utility Revenue	-
Rents Receivable	4,255
Total Current & Accrued Assets	139,743,213
Unamortized Debt Expense	2,414,063
Other Regulatory Assets	113,844,614
Preliminary Survey & Investigation	1,155,750
Clearing Accounts	66,413
Temporary Facilities	16,437
Miscellaneous Deferred Debits	2,723,009
Unamortized Loss on Reacquired Debt	147,555
Accumulated Deferred Income Taxes	74,710,350
Unrecovered Purchased Gas Costs	(839,907)
Total Deferred Debits	194,238,284
TOTAL ASSETS AND OTHER DEBITS	2,639,026,934

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of January 31, 2024
(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	458,655,189
Retained Earnings	655,428,231
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	1,141,702,361
<u>Liabilities</u>	
Bonds	681,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(148,490)
Total Long-Term Debt	706,571,510
Obligations Under Capital Leases - Noncurrent	7,459,240
Asset Retirement Obligation	91,254,175
Long-Term Portion of Derivative Instrument Liabilities	1,386,272
Accum. Misc. Operating Provisions	26,737,451
Total Other Noncurrent Liabilities	126,837,138
Accounts Payable	55,238,077
Notes Payable to Assoc. Co.	33,806,000
Accounts Payable to Assoc. Co.	20,580,012
Customer Deposits	8,336,095
Taxes Accrued	1,944,453
Interest Accrued	7,073,692
Tax Collections Payable	4,320,235
Misc. Current & Accrued Liabilities	5,163,057
Obligations Under Capital Leases - Current	366,115
Derivative Instrument Liabilities	1,748,894
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,386,272)
Total Current & Accrued Liabilities	137,190,358
Customer Advances for Construction	2,521,642
Accum. Deferred Investment Tax Credits	5,120,973
Other Deferred Credits	15,379,006
Other Regulatory Liabilities	120,088,548
Accumulated Deferred Income Taxes	383,615,398
Total Deferred Credits	526,725,567
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,639,026,934

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
As of January 31, 2024
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	174,589,595	91,449,066	266,038,661
Commercial Sales	153,137,443	32,662,139	185,799,582
Industrial Sales	65,362,673	1,750,444	67,113,117
Sales to Public Authorities	22,995,101	2,139,250	25,134,351
Public Street & Highway Lighting	437,999	-	437,999
Inter-Departmental Sales	31,170	28,479	59,649
Misc. Service Revenues	7,403,268	14,535	7,417,803
Revenues from Transportation	-	11,253,646	11,253,646
Sales for Resale	17,327,164	-	17,327,164
Rents from Property	1,673,627	-	1,673,627
Other Revenues	11,816,890	(518,696)	11,298,194
Total Revenues	<u>454,774,930</u>	<u>138,778,863</u>	<u>593,553,793</u>
<u>Operating Expenses</u>			
Operation Expense	248,695,204	69,087,260	317,782,464
Maintenance Expense	30,979,744	2,433,625	33,413,369
Depreciation Expense	83,129,623	18,102,229	101,231,852
Amortization and Depletion	4,746,387	4,034,986	8,781,373
Taxes Other than Income Taxes	11,800,781	3,821,503	15,622,284
Income Taxes - Federal & Other	9,604,708	(9,571,475)	33,233
Provision for Deferred Income Taxes - Net	(1,549,587)	16,059,387	14,509,800
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>387,406,860</u>	<u>103,967,515</u>	<u>491,374,375</u>
NET OPERATING INCOME	<u>67,368,070</u>	<u>34,811,348</u>	<u>102,179,418</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	2,508,287	-	2,508,287
Less: Expense of Merchandising, Jobbing and Contract Work	(92,990)	-	(92,990)
Revenues from Nonutility Operations	741,028	3,305	744,333
Interest & Dividend Income	4,083,524	1,103,400	5,186,924
Non Operating Rental Income	(631)	(1,177)	(1,808)
AFUDC	669,477	386,932	1,056,409
Gain on Disposition of Property	-	83,825	83,825
Loss on Disposition of Property	(38,130)	(14,717)	(52,847)
Misc. Income Deductions	(6,054,121)	(2,137,884)	(8,192,005)
Taxes Other than Income Taxes	5,799	-	5,799
Income Taxes - Federal & Other	(353,229)	13,141,942	12,788,713
Provision for Deferred Income Taxes - Net	(709,880)	(12,861,907)	(13,571,787)
Total Other Income & Deductions	<u>759,134</u>	<u>(296,281)</u>	<u>462,853</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(20,967,233)	(9,710,054)	(30,677,287)
Amortization of Debt Disc. And Expense	(328,336)	(142,574)	(470,910)
Amortization of Loss on Reacquired Debt	(77,418)	(37,520)	(114,938)
Interest on Debt to Assoc. Co.	(4,262,507)	(2,079,224)	(6,341,731)
Other Interest Expense	(2,007,024)	(201,334)	(2,208,358)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,315,828	1,780,096	4,095,924
Net interest Charges	<u>(25,326,690)</u>	<u>(10,390,610)</u>	<u>(35,717,300)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>42,800,514</u>	<u>24,124,457</u>	<u>66,924,971</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of January 31, 2024
(Unaudited)

	Actual 12/31/2023	Activity	Actual 1/30/2024
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,562,056	27,749	679,589,805
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,490,743	(31,503)	7,459,240
Total Long-term debt	<u>712,052,799</u>	<u>(3,754)</u>	<u>712,049,045</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	310,000,000	-	310,000,000
Unappropriated Retained Earnings Balance	578,920,358	65,162,216	644,082,574
Unappropriated Retained Earnings - Current Year Net Income	65,162,216	(53,816,559)	11,345,657
Total Common Stock Equity	<u>1,130,356,704</u>	<u>11,345,657</u>	<u>1,141,702,361</u>
TOTAL CAPITALIZATION	\$ 1,842,409,503	\$ 11,341,903	\$ 1,853,751,406

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.