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Deputy General Counsel

VIA EMAIL DELIVERY

April 12, 2024

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

RECEIVED

APR 12 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 February 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 February 29, 2024
(Unaudited)

	Total Company
<u>Assets</u>	
Utility Plant in Service	3,324,613,881
Construction Work in Progress	97,711,080
Less: Accumulated Depreciation	(1,128,302,462)
Net Utility Plant	2,294,022,499
Nonutility Property	1,315,373
Other Investments	1,500
Other Special Funds	18,755,748
Long Term Portion of Derivative Instrument Assets	85,796
Total Other Property & Investments	20,158,417
Cash	2,958,209
Working Funds	-
Temporary Cash Investments	-
Customer Accounts Receivable	15,955,788
Other Accounts Receivable	1,896,837
Less: Provision for Uncollectibles	(773,657)
Notes Receivable from Assoc. Co.	39,073,357
Accounts Receivable from Assoc. Co.	19,986,205
Fuel Stock	38,359,988
Gas Stored Underground Inventory	-
Plant Materials & Operating Supplies	28,304,591
Other Materials & Supplies	-
Stores Expense Undistributed	1,421,113
Prepayments	1,988,324
Emission Allowances	18,470
Derivative Instrument Assets	1,704,562
Interest & Dividends Receivable	-
Misc Current and Accrued Assets	7,007,107
Accrued Utility Revenue	-
Rents Receivable	4,378
Total Current & Accrued Assets	157,905,252
Unamortized Debt Expense	2,378,715
Other Regulatory Assets	111,937,465
Preliminary Survey & Investigation	1,168,584
Clearing Accounts	52,493
Temporary Facilities	29,467
Miscellaneous Deferred Debits	2,739,451
Unamortized Loss on Reacquired Debt	140,930
Accumulated Deferred Income Taxes	74,710,350
Unrecovered Purchased Gas Costs	(4,088,318)
Total Deferred Debits	189,069,137
TOTAL ASSETS AND OTHER DEBITS	2,661,155,305

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of February 29, 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	666,076,774
Accumulated Other Comprehensive Income	-
Total Proprietary Capital	1,152,350,904
<u>Liabilities</u>	
Bonds	681,720,000
Advances from Associated Companies	25,000,000
Less: Unamortized Discount on Long-Term Debt	(147,467)
Total Long-Term Debt	706,572,533
Obligations Under Capital Leases - Noncurrent	7,427,622
Asset Retirement Obligation	91,445,337
Long-Term Portion of Derivative Instrument Liabilities	1,386,272
Accum. Misc. Operating Provisions	27,006,329
Total Other Noncurrent Liabilities	127,265,560
Accounts Payable	36,675,264
Notes Payable to Assoc. Co.	28,866,000
Accounts Payable to Assoc. Co.	21,341,041
Customer Deposits	8,286,853
Taxes Accrued	32,326,763
Interest Accrued	9,287,025
Tax Collections Payable	4,186,882
Misc. Current & Accrued Liabilities	7,529,573
Obligations Under Capital Leases - Current	368,509
Derivative Instrument Liabilities	1,748,894
Less: Long-Term Portion of Derivative Instrument Liabilities	(1,386,272)
Total Current & Accrued Liabilities	149,230,532
Customer Advances for Construction	2,521,642
Accum. Deferred Investment Tax Credits	5,120,973
Other Deferred Credits	15,069,232
Other Regulatory Liabilities	119,415,140
Accumulated Deferred Income Taxes	383,608,789
Total Deferred Credits	525,735,776
 TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	 2,661,155,305

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
As of February 29, 2024
(Unaudited)

	Electric	Gas	Total Company
<u>Revenues</u>			
Residential Sales	180,804,598	84,438,398	265,242,996
Commercial Sales	160,448,322	32,931,985	193,380,307
Industrial Sales	67,714,667	1,841,867	69,556,534
Sales to Public Authorities	23,963,582	2,012,466	25,976,048
Public Street & Highway Lighting	378,258	-	378,258
Inter-Departmental Sales	28,420	33,299	61,719
Misc. Service Revenues	3,087,951	11,458	3,099,409
Revenues from Transportation	-	11,210,357	11,210,357
Sales for Resale	17,627,693	-	17,627,693
Rents from Property	1,709,408	-	1,709,408
Other Revenues	12,577,471	(520,140)	12,057,331
Total Revenues	<u>468,340,370</u>	<u>131,959,690</u>	<u>600,300,060</u>
<u>Operating Expenses</u>			
Operation Expense	253,982,945	65,428,228	319,411,173
Maintenance Expense	31,047,766	2,232,718	33,280,484
Depreciation Expense	83,025,344	18,030,438	101,055,782
Amortization and Depletion	4,763,880	4,005,990	8,769,870
Taxes Other than Income Taxes	11,659,539	4,158,234	15,817,773
Income Taxes - Federal & Other	11,564,150	(9,512,501)	2,051,649
Provision for Deferred Income Taxes - Net	(1,649,229)	16,066,270	14,417,041
Investment Tax Credit Adjustment	-	-	-
Total Operating Expenses	<u>394,394,395</u>	<u>100,409,377</u>	<u>494,803,772</u>
NET OPERATING INCOME	<u>73,945,975</u>	<u>31,550,313</u>	<u>105,496,288</u>
<u>Other Income & Deductions</u>			
Revenues from Merchandising, Jobbing and Contract Work	2,619,121	-	2,619,121
Less: Expense of Merchandising, Jobbing and Contract Work	(100,896)	-	(100,896)
Revenues from Nonutility Operations	727,629	1,431	729,060
Interest & Dividend Income	4,143,352	1,107,354	5,250,706
Non Operating Rental Income	(632)	(1,176)	(1,808)
AFUDC	580,559	346,561	927,120
Gain on Disposition of Property	-	83,825	83,825
Loss on Disposition of Property	(38,130)	(14,717)	(52,847)
Misc. Income Deductions	(6,248,615)	(2,184,405)	(8,433,020)
Taxes Other than Income Taxes	6,607	-	6,607
Income Taxes - Federal & Other	(150,118)	13,155,460	13,005,342
Provision for Deferred Income Taxes - Net	(709,880)	(12,861,907)	(13,571,787)
Total Other Income & Deductions	<u>828,997</u>	<u>(367,574)</u>	<u>461,423</u>
<u>Interest Charges</u>			
Interest on Long Term Debt	(20,774,005)	(9,659,829)	(30,433,834)
Amortization of Debt Disc. And Expense	(327,689)	(143,146)	(470,835)
Amortization of Loss on Reacquired Debt	(75,154)	(36,564)	(111,718)
Interest on Debt to Assoc. Co.	(4,178,519)	(2,042,347)	(6,220,866)
Other Interest Expense	(1,894,314)	(193,366)	(2,087,680)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,294,603	1,818,999	4,113,602
Net interest Charges	<u>(24,955,078)</u>	<u>(10,256,253)</u>	<u>(35,211,331)</u>
Extraordinary Items after Taxes	-	-	-
NET INCOME	<u>49,819,894</u>	<u>20,926,486</u>	<u>70,746,380</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
As of February 29, 2024
(Unaudited)

	Actual 1/31/2024	Activity	Actual 2/29/2024
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,589,805	27,641	679,617,446
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,459,240	(31,618)	7,427,622
Total Long-term debt	<u>712,049,045</u>	<u>(3,977)</u>	<u>712,045,068</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	644,082,574	-	644,082,574
Unappropriated Retained Earnings - Current Year Net Income	11,345,657	10,648,543	21,994,200
Total Common Stock Equity	<u>1,141,702,361</u>	<u>10,648,543</u>	<u>1,152,350,904</u>
 TOTAL CAPITALIZATION	 \$ 1,853,751,406	 \$ 10,644,566	 \$ 1,864,395,972

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.