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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

May 17, 2024

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

RECEIVED

MAY 17 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 March 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 March 31, 2024
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,374,057,234	903,754,046	51,565,254	3,329,376,534
Construction Work in Progress	62,220,640	44,645,171		106,865,811
Less: Accumulated Depreciation	(906,818,819)	(223,975,900)	(2,293,902)	(1,133,088,621)
Net Utility Plant	<u>1,529,459,055</u>	<u>724,423,317</u>	<u>49,271,352</u>	<u>2,303,153,724</u>
Nonutility Property	-	-	1,322,355	1,322,355
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	18,961,260	18,961,260
Long Term Portion of Derivative Instrument Assets	-	-	86,684	86,684
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>20,371,799</u>	<u>20,371,799</u>
Cash	1,139,235	467,727	(85,303)	1,521,659
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	50,272,908	13,861,013	-	64,133,921
Other Accounts Receivable	1,331,056	546,481	(99,667)	1,777,870
Less: Provision for Uncollectibles	(3,118,500)	(859,819)	-	(3,978,319)
Notes Receivable from Assoc. Co.	-	-	-	-
Accounts Receivable from Assoc. Co.	14,487	5,948	(1,086)	19,349
Fuel Stock	38,715,403	-	-	38,715,403
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	27,437,537	524,936	-	27,962,473
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	1,367,779	26,168	-	1,393,947
Prepayments	1,182,136	559,628	-	1,741,764
Emission Allowances	18,470	-	-	18,470
Derivative Instrument Assets	455,639	-	-	455,639
Interest & Dividends Receivable	-	-	-	-
Accrued Utility Revenues	22,728,184	6,266,510	-	28,994,694
Misc Current and Accrued Assets	4,899,887	813,104	-	5,712,991
Rents Receivable	8,582	-	-	8,582
Total Current & Accrued Assets	<u>146,452,803</u>	<u>22,211,696</u>	<u>(186,056)</u>	<u>168,478,443</u>
Unamortized Debt Expense	1,858,466	763,016	(139,159)	2,482,323
Other Regulatory Assets	95,385,220	17,296,558	-	112,681,778
Preliminary Survey & Investigation	881,604	361,954	(66,013)	1,177,545
Clearing Accounts	23,813	9,488	-	33,301
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	1,987,765	816,102	(148,841)	2,655,026
Unamortized Loss on Reacquired Debt	100,551	41,282	(7,529)	134,304
Accumulated Deferred Income Taxes	60,524,858	21,451,732	-	81,976,590
Unrecovered Purchased Gas Costs	-	(4,976,634)	-	(4,976,634)
Unrecovered Purchased Gas - Unbilled Rev	-	-	-	-
Unrecovered Purchased Gas-Manual Reclass	-	-	-	-
Unrecovered Purchased Gas Costs	-	-	-	-
Total Deferred Debits	<u>160,762,277</u>	<u>35,763,498</u>	<u>(361,542)</u>	<u>196,164,233</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>1,836,674,135</u></u>	<u><u>782,398,511</u></u>	<u><u>69,095,553</u></u>	<u><u>2,688,168,199</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements

Balance Sheet - Page 2

As of March 31, 2024

(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	5,790,716	(1,056,111)	18,838,947
Other Paid-in Capital Stock	343,385,968	140,981,432	(25,712,210)	458,655,190
Retained Earnings	388,416,721	171,411,406	116,477,324	676,305,451
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>752,480,438</u>	<u>320,882,349</u>	<u>89,216,796</u>	<u>1,162,579,583</u>
<u>Liabilities</u>				
Bonds	510,390,130	209,547,093	(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	(109,641)	(45,015)	8,210	(146,446)
Total Long-Term Debt	<u>528,997,489</u>	<u>217,186,578</u>	<u>(39,610,513)</u>	<u>706,573,554</u>
Obligations Under Capital Leases - Noncurrent	5,243,242	2,152,648	-	7,395,890
Asset Retirement Obligation	77,987,243	12,643,404	452,389	91,083,036
Long-Term Portion of Derivative Instrument Liabilities	538,780	214,674	-	753,454
Accum. Misc. Operating Provisions	19,382,123	7,722,708	-	27,104,831
Total Other Noncurrent Liabilities	<u>103,151,388</u>	<u>22,733,434</u>	<u>452,389</u>	<u>126,337,211</u>
Accounts Payable	25,247,676	10,365,751	(1,890,507)	33,722,920
Notes Payable to Assoc. Co.	23,104,265	9,485,747	(1,730,012)	30,860,000
Accounts Payable to Assoc. Co.	27,283,814	11,201,713	(2,042,970)	36,442,557
Customer Deposits	4,939,819	3,322,130	-	8,261,949
Taxes Accrued	24,162,276	12,848,680	(1,217,920)	35,793,036
Interest Accrued	4,957,334	2,035,296	(371,197)	6,621,433
Tax Collections Payable	2,196,534	924,967	770	3,122,271
Misc. Current & Accrued Liabilities	6,616,941	2,636,486	-	9,253,427
Obligations Under Capital Leases - Current	262,954	107,958	-	370,912
Derivative Instrument Liabilities	640,639	255,260	-	895,899
Less: Long-Term Portion of Derivative Instrument Liabilities	(538,780)	(214,674)	-	(753,454)
Total Current & Accrued Liabilities	<u>118,873,472</u>	<u>52,969,314</u>	<u>(7,251,836)</u>	<u>164,590,950</u>
Customer Advances for Construction	-	2,521,642	-	2,521,642
Accum. Deferred Investment Tax Credits	2,296,301	(14,731)	2,839,403	5,120,973
Other Deferred Credits	11,507,527	3,661,899	-	15,169,426
Other Regulatory Liabilities	74,529,463	44,047,133	-	118,576,596
Accumulated Deferred Income Taxes	244,838,057	118,410,893	23,449,314	386,698,264
Total Deferred Credits	<u>333,171,348</u>	<u>168,626,836</u>	<u>26,288,717</u>	<u>528,086,901</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>1,836,674,135</u></u>	<u><u>782,398,511</u></u>	<u><u>69,095,553</u></u>	<u><u>2,688,168,199</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended March 31, 2024
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	181,891,014	83,272,589		265,163,603
Commercial Sales	163,512,862	32,645,433		196,158,295
Industrial Sales	68,574,939	1,706,134		70,281,073
Sales to Public Authorities	24,538,172	1,927,240		26,465,412
Public Street & Highway Lighting	289,894	-		289,894
Inter-Departmental Sales	29,935	34,877		64,812
Misc. Service Revenues	(630,158)	22,122	-	(608,036)
Revenues from Transportation	-	11,091,528		11,091,528
Sales for Resale	20,189,807	-		20,189,807
Rents from Property	1,716,424	-		1,716,424
Other Revenues	12,170,527	(484,126)		11,686,401
Total Revenues	<u>472,283,416</u>	<u>130,215,797</u>	<u>-</u>	<u>602,499,213</u>
<u>Operating Expenses</u>				
Operation Expense	258,383,172	64,582,612	29,825	322,995,609
Maintenance Expense	29,511,423	1,997,744	17,752	31,526,919
Depreciation Expense	82,417,692	18,024,407	-	100,442,099
Amortization and Depletion	4,793,361	4,492,331	-	9,285,692
Taxes Other than Income Taxes	10,366,294	4,365,276	3,636	14,735,206
Income Taxes - Federal & Other	16,728,136	(9,107,404)	(94,971)	7,525,761
Provision for Deferred Income Taxes - Net	(6,467,180)	15,711,001	(307,855)	8,935,966
Investment Tax Credit Adjustment	-	30,907	(30,907)	-
Total Operating Expenses	<u>395,732,898</u>	<u>100,096,874</u>	<u>(382,520)</u>	<u>495,447,252</u>
NET OPERATING INCOME	<u>76,550,518</u>	<u>30,118,923</u>	<u>382,520</u>	<u>107,051,961</u>
<u>Other Income & Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	3,091,807	3,091,807
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(103,422)	(103,422)
Revenues from Nonutility Operations	-	-	747,344	747,344
Interest & Dividend Income	3,727,728	1,004,277	-	4,732,005
Non Operating Rental Income	(631)	(1,177)		(1,808)
AFUDC	647,044	439,655		1,086,699
Gain on Disposition of Property	-	-	83,825	83,825
Loss on Disposition of Property	-	-	(52,847)	(52,847)
Misc. Income Deductions	-	-	(7,783,058)	(7,783,058)
Taxes Other than Income Taxes	-	-	7,441	7,441
Income Taxes - Federal & Other	-	-	12,456,663	12,456,663
Provision for Deferred Income Taxes - Net	-	-	(13,104,648)	(13,104,648)
Total Other Income & Deductions	<u>4,374,141</u>	<u>1,442,755</u>	<u>(4,656,895)</u>	<u>1,160,001</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(22,528,737)	(9,249,457)	1,686,917	(30,091,277)
Amortization of Debt Disc. And Expense	(351,045)	(144,126)	26,286	(468,885)
Amortization of Loss on Recquired Debt	(81,229)	(33,350)	6,082	(108,497)
Interest on Debt to Assoc. Co.	(4,535,767)	(1,862,217)	339,631	(6,058,353)
Other Interest Expense	(1,704,690)	(699,883)	127,645	(2,276,928)
Less: Allowance for Borrowed Fund Used During Construction - Credit	2,175,619	1,818,316	-	3,993,935
Net Interest Charges	<u>(27,025,849)</u>	<u>(10,170,717)</u>	<u>2,186,561</u>	<u>(35,010,005)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>53,898,810</u>	<u>21,390,961</u>	<u>(2,087,814)</u>	<u>73,201,957</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
March 31, 2024
(Unaudited)

	Actual February 2024	Activity	Actual March 2024
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	679,617,446	27,750	679,645,196
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	7,427,622	(31,732)	7,395,890
Total Long-term debt	712,045,068	(3,982)	712,041,086
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	21,994,200	10,228,679	32,222,879
Total Common Stock Equity	1,152,350,904	10,228,679	1,162,579,583
TOTAL CAPITALIZATION	1,864,395,972	10,224,697	1,874,620,669

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.