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Rocco O. D'Ascenzo
Deputy General Counsel

VIA EMAIL DELIVERY

November 18, 2024

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

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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 September 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 September 30, 2024
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non- Jurisdictional	Total Company
<u>Assets</u>				
Utility Plant in Service	2,392,435,338	952,331,751	41,496,089	3,386,263,178
Construction Work in Progress	91,595,396	63,504,627	-	155,100,023
Less: Accumulated Depreciation	(919,365,821)	(237,767,684)	(2,387,725)	(1,159,521,230)
Net Utility Plant	<u>1,564,664,913</u>	<u>778,068,694</u>	<u>39,108,364</u>	<u>2,381,841,971</u>
Nonutility Property	-	-	1,335,934	1,335,934
Other Investments	-	-	1,500	1,500
Other Special Funds	-	-	20,194,326	20,194,326
Long Term Portion of Derivative Instrument Assets	-	-	-	-
Total Other Property & Investments	<u>-</u>	<u>-</u>	<u>21,531,760</u>	<u>21,531,760</u>
Cash	698,373	286,726	(52,293)	932,806
Working Funds	-	-	-	-
Temporary Cash Investments	-	-	-	-
Customer Accounts Receivable	38,474,262	9,741,865	-	48,216,128
Other Accounts Receivable	2,621,020	1,076,093	(196,258)	3,500,854
Less: Provision for Uncollectibles	(2,753,082)	(697,094)	-	(3,450,176)
Notes Receivable from Assoc. Co.	27,488,535	11,285,764	(2,058,299)	36,716,000
Accounts Receivable from Assoc. Co.	20,044	8,230	(1,501)	26,773
Fuel Stock	32,145,982	-	-	32,145,982
Gas Stored Underground Inventory	-	-	-	-
Plant Materials & Operating Supplies	21,634,834	514,135	-	22,148,969
Other Materials & Supplies	-	-	-	-
Stores Expense Undistributed	48,320	1,148	-	49,468
Prepayments	1,441,235	682,289	-	2,123,524
Emission Allowances	18,470	-	-	18,470
Derivative Instrument Assets	1,731,913	-	-	1,731,913
Interest & Dividends Receivable	-	-	-	-
Accrued Utility Revenues	22,082,381	5,591,363	-	27,673,744
Misc Current and Accrued Assets	4,893,033	2,618,648	-	7,511,681
Rents Receivable	8,583	-	-	8,583
Total Current & Accrued Assets	<u>150,553,903</u>	<u>31,109,167</u>	<u>(2,308,351)</u>	<u>179,354,719</u>
Unamortized Debt Expense	2,394,768	983,201	(179,316)	3,198,653
Other Regulatory Assets	91,748,327	17,927,799	-	109,676,126
Preliminary Survey & Investigation	985,856	404,756	(73,819)	1,316,793
Clearing Accounts	568,779	154,997	-	723,776
Temporary Facilities	-	-	-	-
Miscellaneous Deferred Debits	1,915,515	786,439	(143,431)	2,558,523
Unamortized Loss on Reacquired Debt	70,789	29,063	(5,301)	94,551
Accumulated Deferred Income Taxes	61,232,582	20,926,374	-	82,158,956
Unrecovered Purchased Gas Costs	-	(396,825)	-	(396,825)
Unrecovered Purchased Gas - Unbilled Rev	-	-	-	-
Unrecovered Purchased Gas-Manual Reclass	-	-	-	-
Unrecovered Purchased Gas Costs	-	-	-	-
Total Deferred Debits	<u>158,916,616</u>	<u>40,815,804</u>	<u>(401,867)</u>	<u>199,330,553</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>1,874,135,432</u></u>	<u><u>849,993,665</u></u>	<u><u>57,929,906</u></u>	<u><u>2,782,059,003</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Balance Sheet - Page 2
As of September 30, 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	5,790,715	(1,056,111)	18,838,946
Other Paid-in Capital Stock	355,153,200	145,812,618	(26,593,322)	474,372,496
Retained Earnings	279,616,686	180,018,808	118,021,944	577,657,438
Accumulated Other Comprehensive Income	-	-	-	-
Total Proprietary Capital	<u>655,447,635</u>	<u>334,320,936</u>	<u>89,880,304</u>	<u>1,079,648,875</u>
<u>Liabilities</u>				
Bonds	678,843,129	278,707,594	(50,830,723)	906,720,000
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	(105,050)	(43,130)	7,866	(140,314)
Total Long-Term Debt	<u>697,455,079</u>	<u>286,348,964</u>	<u>(52,224,357)</u>	<u>931,579,686</u>
Obligations Under Capital Leases - Noncurrent	3,020,699	1,240,168	-	4,260,867
Asset Retirement Obligation	74,095,241	12,935,924	467,111	87,498,276
Long-Term Portion of Derivative Instrument Liabilities	676,837	184,443	-	861,280
Accum. Misc. Operating Provisions	22,994,179	6,266,086	-	29,260,265
Total Other Noncurrent Liabilities	<u>100,786,956</u>	<u>20,626,621</u>	<u>467,111</u>	<u>121,880,688</u>
Accounts Payable	30,911,426	12,691,075	(2,314,600)	41,287,901
Notes Payable to Assoc. Co.	-	-	-	-
Accounts Payable to Assoc. Co.	18,236,878	7,487,380	(1,365,549)	24,358,709
Customer Deposits	5,067,427	3,407,948	-	8,475,375
Taxes Accrued	14,011,455	7,680,438	(1,265,624)	20,426,269
Interest Accrued	7,703,169	3,162,632	(576,801)	10,289,000
Tax Collections Payable	1,429,364	719,963	290	2,149,617
Misc. Current & Accrued Liabilities	5,670,727	1,545,315	-	7,216,042
Obligations Under Capital Leases - Current	176,753	72,567	-	249,320
Derivative Instrument Liabilities	925,437	252,189	-	1,177,626
Less: Long-Term Portion of Derivative Instrument Liabilities	(676,837)	(184,443)	-	(861,280)
Total Current & Accrued Liabilities	<u>83,455,799</u>	<u>36,835,064</u>	<u>(5,522,284)</u>	<u>114,768,579</u>
Customer Advances for Construction	-	2,528,681	-	2,528,681
Accum. Deferred Investment Tax Credits	2,296,302	-	2,839,403	5,135,705
Other Deferred Credits	11,470,043	3,649,971	-	15,120,014
Other Regulatory Liabilities	73,419,231	43,461,440	-	116,880,671
Accumulated Deferred Income Taxes	249,804,387	122,221,988	22,489,729	394,516,104
Total Deferred Credits	<u>336,989,963</u>	<u>171,862,080</u>	<u>25,329,132</u>	<u>534,181,175</u>
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	<u><u>1,874,135,432</u></u>	<u><u>849,993,665</u></u>	<u><u>57,929,906</u></u>	<u><u>2,782,059,003</u></u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Income Statement
For the 12 Months Ended September 30, 2024
(Unaudited)

	Electric	Gas	Non- Jurisdictional	Total Company
<u>Revenues</u>				
Residential Sales	203,250,690	83,073,557	-	286,324,247
Commercial Sales	175,562,593	32,180,655	-	207,743,248
Industrial Sales	72,456,216	1,670,312	-	74,126,528
Sales to Public Authorities	25,505,480	1,804,905	-	27,310,385
Public Street & Highway Lighting	601,666	-	-	601,666
Inter-Departmental Sales	18,921	19,124	-	38,045
Misc. Service Revenues	(2,981,057)	23,356	-	(2,957,701)
Revenues from Transportation	-	11,561,689	-	11,561,689
Sales for Resale	23,049,632	-	-	23,049,632
Rents from Property	1,724,536	-	-	1,724,536
Other Revenues	14,160,740	(351,097)	-	13,809,643
Total Revenues	<u>513,349,417</u>	<u>129,982,501</u>	<u>-</u>	<u>643,331,918</u>
<u>Operating Expenses</u>				
Operation Expense	273,981,863	64,680,284	33,111	338,695,258
Maintenance Expense	25,458,519	2,185,913	20,923	27,665,355
Depreciation Expense	85,207,986	18,873,239	-	104,081,225
Amortization and Depletion	4,852,315	3,960,284	-	8,812,599
Taxes Other than Income Taxes	13,260,016	6,678,995	2,692	19,941,703
Income Taxes - Federal & Other	14,344,352	(14,284,205)	(124,953)	(64,806)
Provision for Deferred Income Taxes - Net	(589,951)	22,413,276	(845,900)	20,977,425
Investment Tax Credit Adjustment	-	31,348	(31,348)	-
Total Operating Expenses	<u>416,515,100</u>	<u>104,539,134</u>	<u>(945,475)</u>	<u>520,108,759</u>
NET OPERATING INCOME	<u>96,834,317</u>	<u>25,443,367</u>	<u>945,475</u>	<u>123,223,159</u>
<u>Other Income & Deductions</u>				
Revenues from Merchandising, Jobbing and Contract Work	-	-	3,035,409	3,035,409
Less: Expense of Merchandising, Jobbing and Contract Work	-	-	(167,655)	(167,655)
Revenues from Nonutility Operations	-	-	716,120	716,120
Interest & Dividend Income	3,629,980	1,239,116	-	4,869,096
Non Operating Rental Income	(633)	(1,175)	-	(1,808)
AFUDC	1,966,494	1,325,581	-	3,292,075
Gain on Disposition of Property	-	-	86,265	86,265
Loss on Disposition of Property	-	-	(5,977)	(5,977)
Misc. Income Deductions	-	-	(4,631,047)	(4,631,047)
Taxes Other than Income Taxes	-	-	4,048	4,048
Income Taxes - Federal & Other	-	-	3,631,462	3,631,462
Provision for Deferred Income Taxes - Net	-	-	(5,107,502)	(5,107,502)
Total Other Income & Deductions	<u>5,595,841</u>	<u>2,563,522</u>	<u>(2,438,877)</u>	<u>5,720,486</u>
<u>Interest Charges</u>				
Interest on Long Term Debt	(23,682,936)	(9,723,327)	1,773,342	(31,632,921)
Amortization of Debt Disc. And Expense	(356,751)	(146,469)	26,713	(476,507)
Amortization of Loss on Recquired Debt	(66,760)	(27,409)	4,999	(89,170)
Interest on Debt to Assoc. Co.	(2,690,817)	(1,104,748)	201,484	(3,594,081)
Other Interest Expense	(1,731,554)	(710,911)	129,656	(2,312,809)
Less: Allowance for Borrowed Fund Used During Construction - Credit	1,704,328	1,384,578	-	3,088,906
Net Interest Charges	<u>(26,824,490)</u>	<u>(10,328,286)</u>	<u>2,136,194</u>	<u>(35,016,582)</u>
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	<u>75,605,668</u>	<u>17,678,603</u>	<u>642,792</u>	<u>93,927,063</u>

Duke Energy Kentucky, Inc.

Monthly Supplemental Financial Statements
Capital Structure
September 30, 2024
(Unaudited)

	Actual August 2024	Activity	Actual September 2024
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
* Long-term debt	903,845,651	36,262	903,881,913
Advances from Associated Companies	25,000,000	-	25,000,000
** Obligations under Capital Lease-Noncurrent	5,733,404	(1,472,538)	4,260,866
Total Long-term debt	934,579,055	(1,436,276)	933,142,779
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	325,717,307	-	325,717,307
Unappropriated Retained Earnings Balance	644,079,088	(140,000,000)	504,079,088
Unappropriated Retained Earnings - Current Year Net Income	67,316,183	6,262,166	73,578,349
Total Common Stock Equity	1,213,386,708	(133,737,834)	1,079,648,874
TOTAL CAPITALIZATION	2,147,965,763	(135,174,110)	2,012,791,653

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.