

REFINITIV

# DELTA REPORT

## 10-Q

PPL ELECTRIC UTILITIES CO

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

|              |      |
|--------------|------|
| TOTAL DELTAS | 2440 |
| CHANGES      | 258  |
| DELETIONS    | 932  |
| ADDITIONS    | 1250 |

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_

| Commission File<br><u>Number</u> | Registrant; State of Incorporation;<br><u>Address and Telephone Number</u>  | IRS Employer<br><u>Identification No.</u> |
|----------------------------------|---|---|
| 1-11459                          | <b>PPL Corporation</b><br>(Exact name of Registrant as specified in its charter)<br>Pennsylvania<br>Two North Ninth Street<br>Allentown, PA 18101-1179<br>(610) 774-5151                    | 23-2758192                                |
| 1-905                            | <b>PPL Electric Utilities Corporation</b><br>(Exact name of Registrant as specified in its charter)<br>Pennsylvania<br>Two North Ninth Street<br>Allentown, PA 18101-1179<br>(610) 774-5151 | 23-0959590                                |
| 1-2893                           | <b>Louisville Gas and Electric Company</b><br>(Exact name of Registrant as specified in its charter)<br>Kentucky<br>220 West Main Street<br>Louisville, KY 40202-1377<br>(502) 627-2000     | 61-0264150                                |
| 1-3464                           | <b>Kentucky Utilities Company</b><br>(Exact name of Registrant as specified in its charter)<br>Kentucky and Virginia<br>One Quality Street<br>Lexington, KY 40507-1462<br>(502) 627-2000    | 61-0247570                                |

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>   | <u>Trading Symbol; Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--|----------------------------------|--|
| Common Stock of PPL Corporation  | PPL                              | New York Stock Exchange                          |
| Junior Subordinated Notes of PPL Capital Funding, Inc.<br>2007 Series A due 2067 | PPL/67                           | New York Stock Exchange                          |

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

|                                     |     |                                     |    |                          |
|-------------------------------------|-----|-------------------------------------|----|--------------------------|
| PPL Corporation                     | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| PPL Electric Utilities Corporation  | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| Louisville Gas and Electric Company | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| Kentucky Utilities Company          | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files).

|                                     |     |                                     |    |                          |
|-------------------------------------|-----|-------------------------------------|----|--------------------------|
| PPL Corporation                     | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| PPL Electric Utilities Corporation  | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| Louisville Gas and Electric Company | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| Kentucky Utilities Company          | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                                     | Large accelerated<br>filer          | Accelerated<br>filer     | Non-accelerated<br>filer            | Smaller reporting<br>company | Emerging growth<br>company |
|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|------------------------------|----------------------------|
| PPL Corporation                     | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>     | <input type="checkbox"/>   |
| PPL Electric Utilities Corporation  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>     | <input type="checkbox"/>   |
| Louisville Gas and Electric Company | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>     | <input type="checkbox"/>   |
| Kentucky Utilities Company          | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>     | <input type="checkbox"/>   |

If emerging growth companies, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

|                                     |                          |
|-------------------------------------|--------------------------|
| PPL Corporation                     | <input type="checkbox"/> |
| PPL Electric Utilities Corporation  | <input type="checkbox"/> |
| Louisville Gas and Electric Company | <input type="checkbox"/> |
| Kentucky Utilities Company          | <input type="checkbox"/> |

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

|                                     |     |                          |    |                                     |
|-------------------------------------|-----|--------------------------|----|-------------------------------------|
| PPL Corporation                     | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| PPL Electric Utilities Corporation  | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Louisville Gas and Electric Company | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Kentucky Utilities Company          | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

|                                     |  |
|-------------------------------------|--|
| PPL Corporation                     | Common stock, \$0.01 par value, 737,124,389 737,740,859 shares outstanding at October 30, 2023 April 26, 2024.   |
| PPL Electric Utilities Corporation  | Common stock, no par value, 66,368,056 shares outstanding and all held by PPL Energy Holdings LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 30, 2023 April 26, 2024. |
| Louisville Gas and Electric Company | Common stock, no par value, 21,294,223 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 30, 2023 April 26, 2024.  |
| Kentucky Utilities Company          | Common stock, no par value, 37,817,878 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 30, 2023 April 26, 2024.  |

This document is available free of charge at the Investors section of PPL Corporation's website at [www.pplweb.com](http://www.pplweb.com). However, other information on this website does not constitute a part of this Form 10-Q.

**PPL CORPORATION  
PPL ELECTRIC UTILITIES CORPORATION  
LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

FORM 10-Q  
FOR THE QUARTER ENDED **SEPTEMBER 30, 2023** **MARCH 31, 2024**

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This combined Form 10-Q is separately filed by the following Registrants in their individual capacity: PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company. Information contained herein relating to any individual Registrant is filed by such Registrant solely on its own behalf, and no Registrant makes any representation as to information relating to any other Registrant, except that information under "Forward-Looking Information" relating to subsidiaries of PPL Corporation is also attributed to PPL Corporation.

Unless otherwise specified, references in this Report, individually, to PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company are references to such entities directly or to one or more of their subsidiaries, as the case may be, the financial results of which subsidiaries are consolidated into such Registrants' financial statements in accordance with GAAP. This presentation has been applied where identification of particular subsidiaries is not material to the matter being disclosed, and to conform narrative disclosures to the presentation of financial information on a consolidated basis.

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## GLOSSARY OF TERMS AND ABBREVIATIONS

### PPL Corporation and its subsidiaries

**CEP Reserves** - CEP Reserves Inc., a cash management subsidiary of PPL that maintains cash reserves for the balance sheet management of PPL and certain subsidiaries.

**KU** - Kentucky Utilities Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity, primarily in Kentucky.

**LG&E** - Louisville Gas and Electric Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas in Kentucky.

**LKE** - LG&E and KU Energy LLC, a subsidiary of PPL and the parent of LG&E, KU and other subsidiaries.

**LKS** - LG&E and KU Services Company, a subsidiary of LKE that provides administrative, management and support services primarily to LG&E and KU, as well as to LKE and its other subsidiaries.

**Narragansett Electric** - The Narragansett Electric Company, an entity that serves electric and natural gas customers in Rhode Island. On May 25, 2022, PPL and its subsidiary, PPL Rhode Island Holdings announced the completion of the acquisition of Narragansett Electric, which continues to provide services under the name Rhode Island Energy.

**Narragansett Electric is sometimes referred to as Rhode Island Energy or RIE.**

**PPL** - PPL Corporation, the ultimate parent holding company of PPL Capital Funding and PPL Energy Holdings, which is the holding company of PPL Electric, PPL Energy Funding Corporation, PPL Capital Funding, LKE, Rhode Island Energy, PPL Services RIE and other subsidiaries.

**PPL Capital Funding** - PPL Capital Funding, Inc., a financing subsidiary of PPL that provides financing for the operations of PPL and certain subsidiaries. Debt issued by PPL Capital Funding is fully and unconditionally guaranteed as to payment by PPL.

**PPL Electric** - PPL Electric Utilities Corporation, a public utility subsidiary of PPL engaged in the regulated transmission and distribution of electricity in its Pennsylvania service area and that provides electricity supply to its retail customers in this area as a PLR.

**PPL Energy Funding** - PPL Energy Funding Corporation, a subsidiary of PPL and the parent holding company of PPL Global, LLC and other subsidiaries.

**PPL Energy Holdings** - PPL Energy Holdings, LLC, a subsidiary of PPL and the parent holding company of PPL Energy Funding Corporation, LKE, PPL Electric, PPL Rhode Island Holdings, PPL Services and other subsidiaries.

**PPL Rhode Island Holdings** - PPL Rhode Island Holdings, LLC, a subsidiary of PPL and Energy Holdings formed for the parent holding company purpose of RIE, acquiring Narragansett Electric to which certain interests of PPL Energy Holdings in the Narragansett Stock Purchase Agreement were assigned.

**PPL Services** - PPL Services Corporation, a subsidiary of PPL that provides administrative, management and support services to PPL and its subsidiaries.

**PPL WPD Limited** - a U.K. subsidiary of PPL Global, LLC. Prior to the sale of the U.K. utility business on June 14, 2021, PPL WPD Limited was an indirect parent to PPL WPD Investments Limited. PPL WPD Limited was not included in the sale of the U.K. utility business on June 14, 2021.

**RIE** - Rhode Island Energy, the name under which Narragansett Electric continues to provide services subsequent to since its acquisition by PPL and its subsidiary, PPL Rhode Island Holdings LLC on May 25, 2022.

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### Other terms and abbreviations

**£** - British pound sterling.

**2022 2023 Form 10-K** - Annual Report to the SEC on Form 10-K for the year ended December 31, 2022 December 31, 2023.

**Act 11** - Act 11 of 2012 that became effective in April 2012. The Pennsylvania legislation authorized the PUC PAPUC to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, a DSIC.

**Act 129** - Act 129 of 2008 that became effective in October 2008. The law amended the Pennsylvania Public Utility Code and created an energy efficiency and conservation program and smart metering technology requirements, adopted new PLR electricity supply procurement rules, provided remedies for market misconduct and changed the Alternative Energy Portfolio Standard (AEPS).

**AFUDC** - allowance for funds used during construction. The cost of equity and debt funds used to finance construction projects of regulated businesses, which is capitalized as part of construction costs.

**AOCI** - accumulated other comprehensive income or loss.

**ARO** - asset retirement obligation.

**Bcf** - billion cubic feet. A unit of measure commonly used in quoting volumes of natural gas.

**CCR(s)** - coal combustion residual(s). CCRs include fly ash, bottom ash and sulfur dioxide scrubber wastes.

**Clean Air Act** - federal legislation enacted to address certain environmental issues related to air emissions, including acid rain, ozone and toxic air emissions.

**COVID-19** - the disease caused by the novel coronavirus identified in 2019 that caused a global pandemic.

**CPCN** - Certificate of Public Convenience and Necessity. Authority granted by the KPSC pursuant to Kentucky Revised Statute 278.020 to provide utility service to or for the public or the construction of certain plant, equipment, property or facilities for furnishing of utility service to the public. A CPCN is required for any capital addition, subject to KPSC jurisdiction, in excess of \$100 million.

**Customer Choice Act** - the Pennsylvania Electricity Generation Customer Choice and Competition Act, legislation enacted to restructure the state's electric utility industry to create retail access to a competitive market for generation of electricity.

**DSIC** - Distribution System Improvement Charge. Authorized under Act 11, which is an alternative ratemaking mechanism providing more-timely cost recovery of qualifying distribution system capital expenditures.

**DSM** - Demand Side Management. Pursuant to Kentucky Revised Statute 278.285, the KPSC may determine the reasonableness of DSM programs proposed by any utility under its jurisdiction. DSM programs consist of energy efficiency programs intended to reduce peak demand and delay the investment in additional power plant construction, provide customers with tools and information regarding their energy usage and support energy efficiency.

**Earnings from Ongoing Operations** - a non-GAAP financial measure of earnings adjusted for the impact of special items and used in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A).

**ECR** - Environmental Cost Recovery. Pursuant to Kentucky Revised Statute 278.183, Kentucky electric utilities are entitled to the current recovery of costs of complying with the Clean Air Act, as amended, and those federal, state or local environmental requirements that apply to coal combustion wastes and byproducts from the production of energy from coal.

**ELG(s)** - Effluent Limitation Guidelines, regulations promulgated by the EPA.

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**Environmental Response Fund** - Established in RIPUC Docket No. 2930. Created to satisfy remedial and clean-up obligations of RIE arising from the past ownership and/or operation of manufactured gas plants and sites associated with the operation and disposal activities of such gas plants.

**EPA** - Environmental Protection Agency, a U.S. government agency.

**EPS** - earnings per share.

**FERC** - Federal Energy Regulatory Commission, the U.S. federal agency that regulates, among other things, interstate transmission and wholesale sales of electricity, hydroelectric power projects and related matters.

**GAAP** - Generally Accepted Accounting Principles in the U.S.

**GHG(s)** - greenhouse gas(es).

**GLT** - gas line tracker. The KPSC approved mechanism for LG&E's recovery of **certain** costs associated with gas transmission lines, gas service lines, gas risers, leak mitigation, and gas main replacements.

**IBEW** - International Brotherhood of Electrical Workers.

**If-Converted Method**- A method applied to calculate diluted EPS for a company with outstanding convertible debt. This method generally adds back the interest charges of the debt to net income and the convertible debt is assumed to have been converted to equity at the beginning of the period, and the resulting common shares are treated as outstanding shares for diluted EPS calculations.

**IRS** - Internal Revenue Service, a U.S. government agency.

**ISO** - Independent System Operator.

**KPSC** - Kentucky Public Service Commission, the state agency that has jurisdiction over the regulation of rates and service of utilities in Kentucky.

**Mill Creek Unit 5** - a combined cycle natural gas unit under construction in Kentucky, jointly owned by LG&E and KU, which is expected to provide additional generating capacity of 198 MW and 442 MW to LG&E and KU beginning in 2027.

**Moody's** - Moody's Investors Service, Inc., a credit rating agency.

**MW** - megawatt, one thousand kilowatts.

**MWac** - megawatt, alternating current. The measure of the power output from a solar installation.

**NAAQS** - National Ambient Air Quality Standards periodically adopted pursuant to the Clean Air Act.

**National Grid USA** - National Grid USA is a wholly-owned subsidiary of National Grid plc, a British multinational electricity and gas utility company headquartered in London, England.

**NEP** - New England Power Company, a National Grid **USA U.S.** affiliate.

**NERC** - North American Electric Reliability Corporation.

**NGCC** - Natural gas combined cycle.

**NPNS** - the normal purchases and normal sales exception as permitted by derivative accounting rules. Derivatives that qualify for this exception may receive accrual accounting treatment.

**OCI** - other comprehensive income or loss.

**OVEC** - Ohio Valley Electric Corporation, located in Piketon, Ohio, an entity in which LG&E owns a 5.63% interest and KU owns a 2.50% interest, which are recorded at cost. OVEC owns and operates two coal-fired power plants, the Kyger Creek plant in Ohio and the Clifty Creek plant in Indiana, with combined capacities of 2,120 MW.



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**PAPUC** - Pennsylvania Public Utility Commission, the state agency that regulates certain ratemaking, services, accounting and operations of Pennsylvania utilities.

**PLR** - Provider of Last Resort, the role of PPL Electric in providing default electricity supply within its delivery area to retail customers who have not chosen to select an alternative electricity supplier under the Customer Choice Act.



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**PP&E** - property, plant and equipment.

**PPA(s)** - power purchase agreement(s).

**PPL EnergyPlus** - prior to the June 1, 2015 spinoff, PPL Energy Supply, LLC, PPL EnergyPlus, LLC, a subsidiary of PPL Energy Supply that marketed and traded wholesale and retail electricity and gas and supplied energy and energy services in competitive markets.

**PPL Energy Supply** - prior to the June 1, 2015 spinoff, PPL Energy Supply, LLC, a subsidiary of PPL Energy Funding and the indirect parent company of PPL Montana, LLC.

**PPL Montana** - prior to the June 1, 2015 spinoff of PPL Energy Supply, PPL Montana, LLC, an indirect subsidiary of PPL Energy Supply that generated electricity for wholesale sales in Montana and the Pacific Northwest.

**RAR** – Retired Asset Recovery rider, established by KPSC orders in 2021 to provide for recovery of and return on the remaining investment in certain electric generating units upon their retirement over a ten-year period following retirement.

**Registrant(s)** - refers to the Registrants named on the cover of this Report (each a "Registrant" and collectively, the "Registrants").

**Regulation S-X** - SEC regulation governing the form and content of and requirements for financial statements required to be filed pursuant to the federal securities laws.

**RIPUC** - Rhode Island Public Utilities Commission, a three-member quasi-judicial tribunal with jurisdiction, powers, and duties to implement and enforce the standards of conduct under R.I. Gen. Laws § 39-1-27.6 and to hold investigations and hearings involving the rates, tariffs, tolls, and charges, and the sufficiency and reasonableness of facilities and accommodations of public utilities in the state of Rhode Island.

**Riverstone** - Riverstone Holdings LLC, a Delaware limited liability company and, as of December 6, 2016, ultimate parent company of the entities that own the competitive power generation business contributed to Talen Energy utilities.

**Rhode Island Division of Public Utilities and Carriers** - the Rhode Island Division of Public Utilities and Carriers, which is headed by an Administrator who is not a Commissioner of the RIPUC, exercises the jurisdiction, supervision, power, and duties not specifically assigned to the RIPUC.

**Safari Energy** - Safari Energy, LLC, which was, prior to its sale of Safari Holdings on November 1, 2022, a subsidiary of Safari Holdings that provided solar energy solutions for commercial customers in the U.S.

**Safari Holdings** - Safari Holdings, LLC, which was, prior to its sale on November 1, 2022, a subsidiary of PPL and parent holding company of Safari Energy.

**Sarbanes-Oxley** - Sarbanes-Oxley Act of 2002, which sets requirements for management's assessment of internal controls for financial reporting. It also requires an independent auditor to make its own assessment.

**Scrubber** - an air pollution control device that can remove particulates and/or gases (primarily sulfur dioxide) from exhaust gases.

**SEC** - the U.S. Securities and Exchange Commission, a U.S. government agency primarily responsible to protect investors and maintain the integrity of the securities markets.

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**Smart metering technology** - technology that can measure, among other things, time of electricity consumption to permit offering rate incentives for usage during lower cost or demand intervals. The use of this technology also has the potential to strengthen network reliability.

**SOFR** - Secured Overnight Financing Rate, a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

**S&P** - S&P Global Ratings, a credit rating agency.

**Superfund** - federal environmental statute that addresses remediation of contaminated sites; states also have similar statutes.

**Talen Energy** - Talen Energy Corporation, the Delaware corporation formed to be the publicly traded company and owner of the competitive generation assets of PPL Energy Supply and certain affiliates of Riverstone, which as of December 6, 2016, became wholly owned by Riverstone.

**Talen EnergyMarketing** - Talen Energy Marketing, LLC, the successor name of PPL EnergyPlus after the spinoff of PPL Energy Supply that marketed and traded wholesale and retail electricity and gas, and supplied energy and energy services in competitive markets, after the June 1, 2015 spinoff of PPL Energy Supply.

**TCJA** - Tax Cuts and Jobs Act. Comprehensive U.S. federal tax legislation enacted on December 22, 2017.

**Treasury Stock Method** - a method applied to calculate diluted EPS that assumes any proceeds that could be obtained upon exercise of options and warrants (and their equivalents) would be used to purchase common stock at the average market price during the relevant period.

**U.K. utility business** - PPL WPD Investments Limited and its subsidiaries, including, notably, Western Power Distribution WPD plc and the four distribution network operators, which substantially represented PPL's U.K. Regulated segment. The U.K. utility business was sold on June 14, 2021.

**UWUA** - Utility Workers Union of America.

**VEBA** - Voluntary Employee Beneficiary Association, a tax-exempt trust under the Internal Revenue Code Section 501(c)(9) used by employers to fund and pay eligible medical, life and similar benefits.

**VSCC** - Virginia State Corporation Commission, the state agency that has jurisdiction over the regulation of Virginia corporations, including utilities.



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### Forward-looking Information

Statements contained in this Form 10-Q concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact are "forward-looking statements" within the meaning of the federal securities laws. Although the Registrants believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in each Registrant's 2022 2023 Form 10-K and in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q, the following are among the important factors that could cause actual results to differ materially and adversely from the forward-looking statements:

- strategic acquisitions, dispositions, or similar transactions and our ability to consummate these business transactions or realize expected benefits from them;
- pandemic health events or other catastrophic events such as fires, earthquakes, explosions, floods, droughts, tornadoes, hurricanes and other extreme weather-related events (including events potentially caused or exacerbated by climate change) and their impact on economic conditions, financial markets and supply chains;
- capital market conditions, including the availability of capital, credit or insurance, changes in interest rates and certain economic indices, and decisions regarding capital structure;
- volatility in or the impact of other changes on in financial markets, commodity prices and economic conditions, including inflation;
- weather and other conditions affecting generation, transmission and distribution operations, operating costs and customer energy use;
- the outcome of rate cases or other cost recovery, revenue or regulatory proceedings;
- the direct or indirect effects on PPL or its subsidiaries or business systems of cyber-based intrusion or the threat of cyberattacks;
- significant changes in the demand for electricity;
- expansion of alternative and distributed sources of electricity generation and storage;
- the effectiveness of our risk management programs, including commodity and interest rate hedging;
- defaults by counterparties or suppliers for energy, capacity, coal, natural gas or key commodities, goods or services;
- a material decline in the market value of PPL's equity;
- significant decreases in the fair value of debt and equity securities and their impact on the value of assets in defined benefit plans, and the related cash funding requirements if the fair value of those assets decline;
- interest rates and their effect on pension and retiree medical liabilities, ARO liabilities, interest payable on certain debt securities, and the general economy;
- the potential impact of any unrecorded commitments and liabilities of the Registrants and their subsidiaries;
- new accounting requirements or new interpretations or applications of existing requirements;
- adverse changes in the corporate credit ratings or securities analyst rankings of the Registrants and their securities;
- any requirement to record impairment charges pursuant to GAAP with respect to any of our significant investments;
- laws or regulations to reduce emissions of GHGs or the physical effects of climate change;
- continuing ability to access fuel supply for LG&E and KU, as well as the ability to recover fuel costs and environmental expenditures in a timely manner at LG&E and KU and natural gas supply costs at LG&E and RIE;
- war, armed conflicts, terrorist attacks, or similar disruptive events, including the war ongoing conflicts in Ukraine; Ukraine and the Middle East;
- changes in political, regulatory or economic conditions in states or regions where the Registrants or their subsidiaries conduct business;
- receipt of the ability to obtain necessary governmental permits and approvals;
- changes in state or federal tax law laws or regulations;
- changes in state, federal or foreign legislation or regulatory developments;
- the impact of any state, federal or foreign investigations applicable to the Registrants and their subsidiaries and the energy industry;
- our ability to attract and retain qualified employees;
- the effect of changing expectations and demands of our customers, regulators, investors and stakeholders, including heightened emphasis views on environmental, social and governance concerns;
- the effect of any business or industry restructuring;
- development of new projects, markets and technologies;
- performance of new ventures;

- collective labor bargaining negotiations and labor costs;

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- risks related to wildfires, including costs of potential regulatory penalties and damages in excess of insurance liability coverage; and
- the outcome of litigation involving the Registrants and their subsidiaries.

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Any forward-looking statements should be considered in light of these important factors and in conjunction with other documents of the Registrants on file with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for the Registrants to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and the Registrants undertake no obligation to update the information contained in the statement to reflect subsequent developments or information.

Investors should note that PPL announces material financial information in SEC filings, press releases and public conference calls. In accordance with SEC guidelines, PPL also uses the Investors section of its website, [www.pplweb.com](http://www.pplweb.com), to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on PPL's website is not part of this document.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

PPL Corporation and Subsidiaries

(Unaudited)  
(Millions of Dollars, except share data)

|                    |                    | Three Months Ended<br>September 30, |          | Nine Months Ended<br>September 30, |          |  | Three Months Ended March 31, |  |  |      |
|--------------------|--------------------|-------------------------------------|----------|------------------------------------|----------|--|------------------------------|--|--|------|
|                    |                    | 2023                                | 2022     | 2023                               | 2022     |  | 2024                         |  |  | 2023 |
| Operating Revenues | Operating Revenues | \$ 2,043                            | \$ 2,134 | \$ 6,281                           | \$ 5,612 |  |                              |  |  |      |
| Operating Expenses | Operating Expenses |                                     |          |                                    |          |  |                              |  |  |      |
| Operating Expenses |                    |                                     |          |                                    |          |  |                              |  |  |      |
| Operating Expenses |                    |                                     |          |                                    |          |  |                              |  |  |      |
| Operation          | Operation          |                                     |          |                                    |          |  |                              |  |  |      |
| Operation          |                    |                                     |          |                                    |          |  |                              |  |  |      |
| Operation          |                    |                                     |          |                                    |          |  |                              |  |  |      |
| Fuel               |                    |                                     |          |                                    |          |  |                              |  |  |      |
| Fuel               |                    |                                     |          |                                    |          |  |                              |  |  |      |
| Fuel               | Fuel               | 199                                 | 267      | 567                                | 708      |  |                              |  |  |      |
| Energy purchases   | Energy purchases   | 356                                 | 436      | 1,430                              | 1,093    |  |                              |  |  |      |

|                                 |                                 |       |       |       |       |
|---------------------------------|---------------------------------|-------|-------|-------|-------|
| Other operation and maintenance | Other operation and maintenance | 637   | 678   | 1,805 | 1,671 |
| Depreciation                    | Depreciation                    | 314   | 312   | 940   | 872   |
| Taxes, other than income        | Taxes, other than income        | 100   | 100   | 299   | 230   |
| Total Operating Expenses        | Total Operating Expenses        | 1,606 | 1,793 | 5,041 | 4,574 |
| Operating Income                | Operating Income                | 437   | 341   | 1,240 | 1,038 |

#### Operating Income

#### Operating Income

Other Income (Expense) - net (Note 12)

Other Income (Expense) - net (Note 12)

|  |  |     |     |     |     |
|--|--|-----|-----|-----|-----|
| Other Income (Expense) - net (Note 12) | Other Income (Expense) - net (Note 12) | 16  | 10  | 51  | 36  |
| Interest Expense                       | Interest Expense                       | 165 | 136 | 494 | 361 |

Interest Expense

Interest Expense

|                            |                            |     |     |     |     |
|----------------------------|----------------------------|-----|-----|-----|-----|
| Income Before Income Taxes | Income Before Income Taxes | 288 | 215 | 797 | 713 |
|----------------------------|----------------------------|-----|-----|-----|-----|

#### Income Before Income Taxes

#### Income Before Income Taxes

Income Taxes

Income Taxes

|              |              |        |        |        |        |
|--------------|--------------|--------|--------|--------|--------|
| Income Taxes | Income Taxes | 58     | 41     | 170    | 147    |
| Net Income   | Net Income   | \$ 230 | \$ 174 | \$ 627 | \$ 566 |

#### Net Income

#### Net Income

#### Earnings Per Share of Common

Stock:

#### Earnings Per Share of Common

Stock:

|                                     |                                     |  |  |  |  |
|-------------------------------------|-------------------------------------|--|--|--|--|
| Earnings Per Share of Common Stock: | Earnings Per Share of Common Stock: |  |  |  |  |
| Basic and Diluted                   | Basic and Diluted                   |  |  |  |  |

#### Basic and Diluted

#### Basic and Diluted

Net Income Available to PPL Common Shareowners

Net Income Available to PPL Common Shareowners

|  |  |         |         |         |         |
|--|--|---------|---------|---------|---------|
| Net Income Available to PPL Common Shareowners | Net Income Available to PPL Common Shareowners | \$ 0.31 | \$ 0.24 | \$ 0.85 | \$ 0.77 |
|--|--|---------|---------|---------|---------|

|  |  |
|--|--|
| Weighted-Average Shares of Common Stock Outstanding (in thousands) |  |
| Weighted-Average Shares of Common Stock Outstanding (in thousands) |  |

*The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.*

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## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

## PPL Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars)

[illegible]

|   |   |       |       |       |       |
|---|---|-------|-------|-------|-------|
| Equity investees' other comprehensive income (loss), net of tax of \$0, \$0 |   |       |       |       |       |
| Equity investees' other comprehensive income (loss), net of tax of \$0, \$0 |   |       |       |       |       |
| Equity investees' other comprehensive income (loss), net of tax of \$0, \$0 |   |       |       |       |       |
| Reclassifications from AOCI - (gains) losses, net of tax expense (benefit): | Reclassifications from AOCI - (gains) losses, net of tax expense (benefit): |       |       |       |       |
| Qualifying derivatives, net of tax of \$0, \$0, (\$1), (\$1)                |   | 1     | —     | 2     | 1     |
| Reclassifications from AOCI - (gains) losses, net of tax expense (benefit): |   |       |       |       |       |
| Reclassifications from AOCI - (gains) losses, net of tax expense (benefit): |   |       |       |       |       |
| Qualifying derivatives, net of tax of \$0, \$0                              |   |       |       |       |       |
| Qualifying derivatives, net of tax of \$0, \$0                              |   |       |       |       |       |
| Qualifying derivatives, net of tax of \$0, \$0                              |   |       |       |       |       |
| Defined benefit plans:  | Defined benefit plans:  |       |       |       |       |
| Prior service costs, net of tax of \$0, (\$1), \$0, (\$1)                   |   | —     | 1     | 1     | 2     |
| Net actuarial (gain) loss, net of tax of (\$1), (\$2), \$0, (\$5)           |   | —     | 3     | (1)   | 12    |
| Defined benefit plans:  |   |       |       |       |       |
| Defined benefit plans:  |   |       |       |       |       |
| Net actuarial (gain) loss, net of tax of \$0, \$0                           |   |       |       |       |       |
| Net actuarial (gain) loss, net of tax of \$0, \$0                           |   |       |       |       |       |
| Net actuarial (gain) loss, net of tax of \$0, \$0                           |   |       |       |       |       |
| Total other comprehensive income (loss)                                     | Total other comprehensive income (loss)                                     | (5)   | (6)   | (18)  | 27    |
| Total other comprehensive income (loss)                                     |   |       |       |       |       |
| Total other comprehensive income (loss)                                     |   |       |       |       |       |
| Comprehensive income  | Comprehensive income  | \$225 | \$168 | \$609 | \$593 |
| Comprehensive income  |   |       |       |       |       |
| Comprehensive income  |   |       |       |       |       |

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**PPL Corporation and Subsidiaries**

(Unaudited)

(Millions of Dollars)

|  |  | Nine Months Ended September 30,             |        |  |      |
|--|--|---|--------|--|------|
|  |  | Three Months Ended March 31,                |        | Three Months Ended March 31,                     |      |
|  |  | 2023  | 2022   | 2024   | 2023 |
| <b>Cash Flows from Operating Activities</b>                                      | <b>Cash Flows from Operating Activities</b>                                      | <b>Cash Flows from Operating Activities</b> |        |  |      |
| Net income   | Net income   | \$ 627                                      | \$ 566 |  |      |
| Adjustments to reconcile net income to net cash provided by operating activities |  |   |        |  |      |
| Adjustments to reconcile net income to net cash provided by operating activities |  |   |        |  |      |
| Adjustments to reconcile net income to net cash provided by operating activities | Adjustments to reconcile net income to net cash provided by operating activities |   |        |  |      |
| Depreciation   | Depreciation   | 940   | 872    |  |      |
| Amortization   | Amortization   | 61  | 30     |  |      |
| Defined benefit plans - (income) expense   | Defined benefit plans - (income) expense   | (55)  | (12)   |  |      |
| Deferred income taxes and investment tax credits                                 | Deferred income taxes and investment tax credits                                 | 142   | 55     |  |      |
| Stock-based compensation expense   | Stock-based compensation expense   | 22  | 23     |  |      |
| Impairment of assets held for sale   | Impairment of assets held for sale   | —   | 67     |  |      |
| Other  |  |   |        |  |      |
| Other  |  |   |        |  |      |
| Other  | Other  | (23)  | 21     |  |      |
| Change in current assets and current liabilities                                 | Change in current assets and current liabilities                                 |   |        | Change in current assets and current liabilities |      |
| Accounts receivable  | Accounts receivable  | (37)  | (103)  |  |      |
| Accounts payable   | Accounts payable   | (129)                                       | 120    |  |      |
| Unbilled revenues  | Unbilled revenues  | 224   | 42     |  |      |

|  |  |         |         |
|--|--|---------|---------|
| Fuel, materials and supplies                               | Fuel, materials and supplies                   | (43)    | (71)    |
| Prepayments  | Prepayments                                    | (44)    | (23)    |
| Taxes payable  | Taxes payable                                  | (15)    | (14)    |
| Taxes payable  |  |         |         |
| Taxes payable  |  |         |         |
| Regulatory assets and liabilities, net                     | Regulatory assets and liabilities, net         | (27)    | (158)   |
| Accrued interest   | Accrued interest                               | 123     | 59      |
| Other  | Other  | (2)     | 52      |
| Other operating activities                                 | Other operating activities                     |         |         |
| Defined benefit plans - funding                            | Defined benefit plans - funding                | (14)    | (8)     |
| Defined benefit plans - funding                            |  |         |         |
| Defined benefit plans - funding                            |  |         |         |
| Other assets   |  |         |         |
| Other assets   |  |         |         |
| Other assets   | Other assets                                   | (58)    | (77)    |
| Other liabilities  | Other liabilities                              | (44)    | 70      |
| Net cash provided by operating activities                  | Net cash provided by operating activities      | 1,648   | 1,511   |
| Net cash provided by operating activities                  |  |         |         |
| Net cash provided by operating activities                  |  |         |         |
| Cash Flows from Investing Activities                       |  |         |         |
| Cash Flows from Investing Activities                       |  |         |         |
| Cash Flows from Investing Activities                       |  |         |         |
| Cash Flows from Investing Activities                       | Cash Flows from Investing Activities           |         |         |
| Expenditures for property, plant and equipment             | Expenditures for property, plant and equipment | (1,741) | (1,515) |
| Acquisition of Narragansett Electric, net of cash acquired |  | —       | (3,674) |
| Other investing activities                                 |  |         |         |
| Other investing activities                                 |  |         |         |
| Other investing activities                                 | Other investing activities                     | 2       | 3       |
| Net cash used in investing activities                      | Net cash used in investing activities          | (1,739) | (5,186) |



|   |   |         |         |
|---|---|---------|---------|
| Net cash used in investing activities                             |   |         |         |
| Net cash used in investing activities                             |   |         |         |
| <b>Cash Flows from Financing Activities</b>                       |   |         |         |
| <b>Cash Flows from Financing Activities</b>                       |   |         |         |
| <b>Cash Flows from Financing Activities</b>                       | <b>Cash Flows from Financing Activities</b>                       |         |         |
| Issuance of long-term debt  | Issuance of long-term debt  | 3,127   | 850     |
| Retirement of long-term debt                                      | Retirement of long-term debt                                      | (1,763) | (263)   |
| Payment of common stock dividends                                 | Payment of common stock dividends                                 | (526)   | (620)   |
| Payment of common stock dividends                                 |   |         |         |
| Payment of common stock dividends                                 |   |         |         |
| Net increase (decrease) in short-term debt                        |   |         |         |
| Net increase (decrease) in short-term debt                        |   |         |         |
| Net increase (decrease) in short-term debt                        | Net increase (decrease) in short-term debt                        | (698)   | 441     |
| Other financing activities  | Other financing activities  | (52)    | (1)     |
| Net cash provided by financing activities                         | Net cash provided by financing activities                         | 88      | 407     |
| Net cash provided by financing activities                         |   |         |         |
| Net cash provided by financing activities                         |   |         |         |
| <b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b> |   |         |         |
| <b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b> |   |         |         |
| <b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b> | <b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b> | (3)     | (3,268) |
| Cash, Cash Equivalents and Restricted Cash at Beginning of Period | Cash, Cash Equivalents and Restricted Cash at Beginning of Period | 357     | 3,572   |

|                                    |                       |        |        |
|------------------------------------|-----------------------|--------|--------|
| Cash, Cash                         | Cash, Cash            |        |        |
| Equivalents and                    | Equivalents and       |        |        |
| Restricted Cash at                 | Restricted Cash at    | \$ 354 | \$ 304 |
| End of Period                      | End of Period         |        |        |
| <b>Supplemental</b>                | <b>Supplemental</b>   |        |        |
| <b>Disclosures of</b>              | <b>Disclosures of</b> |        |        |
| <b>Cash Flow</b>                   | <b>Cash Flow</b>      |        |        |
| <b>Information</b>                 | <b>Information</b>    |        |        |
| Significant non-                   | Significant non-      |        |        |
| cash transactions:                 | cash transactions:    |        |        |
| Accrued expenditures for property, |                       |        |        |
| plant and equipment at September   |                       |        |        |
| 30,                                |                       | \$ 200 | \$ 239 |

|                                    |
|------------------------------------|
| Significant non-cash transactions: |
| Significant non-cash transactions: |
| Accrued expenditures for property, |
| plant and equipment at March 31,   |
| Accrued expenditures for property, |
| plant and equipment at March 31,   |
| Accrued expenditures for property, |
| plant and equipment at March 31,   |

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

PPL Corporation and Subsidiaries

(Unaudited)  
(Millions of Dollars, shares in thousands)

|  |                              | September 30, 2023 | December 31, 2022 |  | March 31, 2024 | December 31, 2023 |
|--|------------------------------|--------------------|-------------------|--|----------------|-------------------|
| Assets   | Assets                       |                    |                   | Assets   |                |                   |
| Current Assets   | Current Assets               |                    |                   |  |                |                   |
| Current Assets   |                              |                    |                   |  |                |                   |
| Current Assets   |                              |                    |                   |  |                |                   |
| Cash and cash equivalents                                    | Cash and cash equivalents    | \$ 353             | \$ 356            |  |                |                   |
| Accounts receivable (less reserve: 2023, \$114; 2022, \$87)  |                              |                    |                   |  |                |                   |
| Accounts receivable (less reserve: 2024, \$146; 2023, \$123) |                              |                    |                   | Accounts receivable (less reserve: 2024, \$146; 2023, \$123) |                |                   |
| Customer   | Customer                     | 1,019              | 896               |  |                |                   |
| Other  | Other                        | 49                 | 150               |  |                |                   |
| Unbilled revenues (less reserve: 2023, \$3; 2022, \$6)       |                              | 328                | 552               |  |                |                   |
| Unbilled revenues (less reserve: 2024, \$4; 2023, \$4)       |                              |                    |                   |  |                |                   |
| Fuel, materials and supplies                                 | Fuel, materials and supplies | 488                | 443               |  |                |                   |

|                      |                      |       |       |
|----------------------|----------------------|-------|-------|
| Prepayments          | Prepayments          | 143   | 92    |
| Regulatory assets    | Regulatory assets    | 315   | 258   |
| Other current assets | Other current assets | 59    | 77    |
| Total Current Assets | Total Current Assets | 2,754 | 2,824 |

Total Current Assets

Total Current Assets

#### Property, Plant and Equipment

#### Property, Plant and Equipment

#### Property, Plant and Equipment

|  |  |        |        |
|--|--|--------|--------|
| Regulated utility plant  | Regulated utility plant  | 38,148 | 36,961 |
| Less: accumulated depreciation - regulated utility plant                     | Less: accumulated depreciation - regulated utility plant                     | 8,976  | 8,352  |
| Regulated utility plant, net   | Regulated utility plant, net   | 29,172 | 28,609 |
| Non-regulated property, plant and equipment                                  | Non-regulated property, plant and equipment                                  | 70     | 92     |
| Less: accumulated depreciation - non-regulated property, plant and equipment | Less: accumulated depreciation - non-regulated property, plant and equipment | 21     | 46     |
| Non-regulated property, plant and equipment, net                             | Non-regulated property, plant and equipment, net                             | 49     | 46     |
| Construction work in progress  | Construction work in progress  | 1,849  | 1,583  |
| Property, Plant and Equipment, net   | Property, Plant and Equipment, net   | 31,070 | 30,238 |
| Other Noncurrent Assets  | Other Noncurrent Assets  |        |        |

#### Other Noncurrent Assets

#### Other Noncurrent Assets

|                   |                   |       |       |
|-------------------|-------------------|-------|-------|
| Regulatory assets | Regulatory assets | 1,787 | 1,819 |
| Goodwill          | Goodwill          | 2,247 | 2,248 |

|   |                               |                  |                  |
|---|-------------------------------|------------------|------------------|
| Other intangibles   | Other intangibles             | 307              | 313              |
| Other noncurrent assets (less reserve for accounts receivable: 2023, \$3; 2022 \$2) |                               | 464              | 395              |
| Other noncurrent assets (less reserve for accounts receivable: 2024, \$3; 2023 \$2) |                               |                  |                  |
| Other noncurrent assets (less reserve for accounts receivable: 2024, \$3; 2023 \$2) |                               |                  |                  |
| Other noncurrent assets (less reserve for accounts receivable: 2024, \$3; 2023 \$2) |                               |                  |                  |
| Total Other Noncurrent Assets   | Total Other Noncurrent Assets | 4,805            | 4,775            |
| <b>Total Assets</b>   | <b>Total Assets</b>           | <b>\$ 38,629</b> | <b>\$ 37,837</b> |
| <b>Total Assets</b>   |                               |                  |                  |
| <b>Total Assets</b>   |                               |                  |                  |

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED CONSOLIDATED BALANCE SHEETS

### PPL Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars, shares in thousands)

|                                    |                                    | September 30, 2023 | December 31, 2022 |                        | March 31, 2024 | December 31, 2023 |
|------------------------------------|------------------------------------|--------------------|-------------------|------------------------|----------------|-------------------|
| Liabilities and Equity             | Liabilities and Equity             |                    |                   | Liabilities and Equity |                |                   |
| Current Liabilities                | Current Liabilities                |                    |                   |                        |                |                   |
| Current Liabilities                | Current Liabilities                |                    |                   |                        |                |                   |
| Short-term debt                    | Short-term debt                    | \$ 287             | \$ 985            |                        |                |                   |
| Long-term debt due within one year | Long-term debt due within one year | 91                 | 354               |                        |                |                   |
| Accounts payable                   | Accounts payable                   | 1,178              | 1,201             |                        |                |                   |
| Taxes                              | Taxes                              | 109                | 124               |                        |                |                   |
| Interest                           | Interest                           | 220                | 97                |                        |                |                   |
| Dividends                          | Dividends                          | 173                | 166               |                        |                |                   |
| Regulatory liabilities             | Regulatory liabilities             | 280                | 238               |                        |                |                   |
| Other current liabilities          | Other current liabilities          | 541                | 624               |                        |                |                   |
| Total Current Liabilities          | Total Current Liabilities          | 2,879              | 3,789             |                        |                |                   |
| Total Current Liabilities          |                                    |                    |                   |                        |                |                   |
| Total Current Liabilities          |                                    |                    |                   |                        |                |                   |
| Long-term Debt                     | Long-term Debt                     | 14,484             | 12,889            |                        |                |                   |

|   |   |        |        |
|---|---|--------|--------|
| Long-term Debt  |   |        |        |
| Long-term Debt  |   |        |        |
| Deferred Credits and Other Noncurrent Liabilities       |   |        |        |
| Deferred Credits and Other Noncurrent Liabilities       |   |        |        |
| Deferred Credits and Other Noncurrent Liabilities       | Deferred Credits and Other Noncurrent Liabilities       |        |        |
| Deferred income taxes                                   | Deferred income taxes                                   | 3,049  | 3,007  |
| Investment tax credits                                  | Investment tax credits                                  | 114    | 117    |
| Accrued pension obligations                             | Accrued pension obligations                             | 199    | 206    |
| Asset retirement obligations                            | Asset retirement obligations                            | 140    | 138    |
| Regulatory liabilities                                  | Regulatory liabilities                                  | 3,384  | 3,412  |
| Other deferred credits and noncurrent liabilities       | Other deferred credits and noncurrent liabilities       | 368    | 361    |
| Total Deferred Credits and Other Noncurrent Liabilities | Total Deferred Credits and Other Noncurrent Liabilities | 7,254  | 7,241  |
| Commitments and Contingent Liabilities (Notes 6 and 10) | Commitments and Contingent Liabilities (Notes 6 and 10) |        |        |
| Commitments and Contingent Liabilities (Notes 6 and 10) |   |        |        |
| Commitments and Contingent Liabilities (Notes 6 and 10) |   |        |        |
| Equity  |   |        |        |
| Equity  |   |        |        |
| Equity  | Equity  |        |        |
| Common stock - \$0.01 par value (a)                     | Common stock - \$0.01 par value (a)                     | 8      | 8      |
| Additional paid-in capital                              | Additional paid-in capital                              | 12,319 | 12,317 |
| Treasury stock  | Treasury stock  | (948)  | (967)  |
| Earnings reinvested                                     | Earnings reinvested                                     | 2,775  | 2,681  |
| Accumulated other comprehensive loss                    | Accumulated other comprehensive loss                    | (142)  | (124)  |
| Total Shareowners' Common Equity                        |   | 14,012 | 13,915 |
| Noncontrolling interests                                |   | —      | 3      |

|                              |                              |           |           |
|------------------------------|------------------------------|-----------|-----------|
| Total Equity                 |                              |           |           |
| Total Equity                 |                              |           |           |
| Total Equity                 | Total Equity                 | 14,012    | 13,918    |
| Total Liabilities and Equity | Total Liabilities and Equity | \$ 38,629 | \$ 37,837 |
| Total Liabilities and Equity |                              |           |           |
| Total Liabilities and Equity |                              |           |           |

(a) 1,560,000 shares authorized, 770,013 shares issued and 737,124 737,736 shares outstanding at September 30, 2023 March 31, 2024. 1,560,000 shares authorized, 770,013 shares issued and 736,487 737,130 shares outstanding at December 31, 2022 December 31, 2023.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

PPL Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars)

|  | Common          |        |          |          |             |               |                |          |
|--|-----------------|--------|----------|----------|-------------|---------------|----------------|----------|
|  | stock           |        |          |          | Accumulated |               |                |          |
|  | shares          |        |          |          | other       |               |                |          |
|  | outstanding (a) | Common | paid-in  | Treasury | Earnings    | comprehensive | Noncontrolling |          |
|  | (a)             | stock  | capital  | stock    | reinvested  | loss          | interests      | int      |
| June 30, 2023                          | 737,086         | \$ 8   | \$12,316 | \$ (949) | \$ 2,721    | \$ (137)      | \$ —           | \$13,959 |
| December 31, 2023                      |                 |        |          |          |             |               |                |          |
| December 31, 2023                      |                 |        |          |          |             |               |                |          |
| December 31, 2023                      |                 |        |          |          |             |               |                |          |
| Treasury stock issued                  |                 |        |          |          |             |               |                |          |
| Treasury stock issued                  |                 |        |          |          |             |               |                |          |
| Treasury stock issued                  |                 |        |          |          |             |               |                |          |
| Stock-based compensation               |                 |        |          |          |             |               |                |          |
| Net income                             |                 |        |          |          |             |               |                |          |
| Dividends and dividend equivalents (b) |                 |        |          |          |             |               |                |          |
| Other comprehensive income (loss)      |                 |        |          |          |             |               |                |          |
| March 31, 2024                         |                 |        |          |          |             |               |                |          |
| March 31, 2024                         |                 |        |          |          |             |               |                |          |
| March 31, 2024                         |                 |        |          |          |             |               |                |          |
| December 31, 2022                      |                 |        |          |          |             |               |                |          |
| December 31, 2022                      |                 |        |          |          |             |               |                |          |
| December 31, 2022                      |                 |        |          |          |             |               |                |          |
| Treasury stock issued                  |                 |        |          |          |             |               |                |          |
| Treasury stock issued                  |                 |        |          |          |             |               |                |          |

|  |  |         |      |          |            |          |                        |
|--|--|---------|------|----------|------------|----------|------------------------|
| Treasury stock issued                  | Treasury stock issued                  | 38      | —    | 1        |            |          | 1                      |
| Stock-based compensation               | Stock-based compensation               |         | 3    |          |            |          | 3                      |
| Net income                             | Net income                             |         |      |          | 230        |          | 230                    |
| Dividends and dividend equivalents (b) | Dividends and dividend equivalents (b) |         |      |          | (176)      |          | (176)                  |
| Other comprehensive income (loss)      | Other comprehensive income (loss)      |         |      |          | (5)        |          | (5)                    |
| <b>September 30, 2023</b>              |  | 737,124 | \$ 8 | \$12,319 | \$ (948)   | \$ 2,775 | \$ (142) \$ — \$14,012 |
| <b>December 31, 2022</b>               |  | 736,487 | \$ 8 | \$12,317 | \$ (967)   | \$ 2,681 | \$ (124) \$ 3 \$13,918 |
| Treasury stock issued                  |  | 637     |      | 3        | 19         |          | 22                     |
| Stock-based compensation               |  |         |      | (1)      |            |          | (1)                    |
| Net income                             |  |         |      |          | 627        |          | 627                    |
| Dividends and dividend equivalents (b) |  |         |      |          | (533)      |          | (533)                  |
| Preferred stock (Note 7)               |  |         |      |          |            | (3)      | (3)                    |
| Other comprehensive income (loss)      |  |         |      |          |            |          |                        |
| Other comprehensive income (loss)      | Other comprehensive income (loss)      |         |      |          | (18)       |          | (18)                   |
| <b>September 30, 2023</b>              |  | 737,124 | \$ 8 | \$12,319 | \$ (948)   | \$ 2,775 | \$ (142) \$ — \$14,012 |
| <b>March 31, 2023</b>                  |  |         |      |          |            |          |                        |
| <b>March 31, 2023</b>                  |  |         |      |          |            |          |                        |
| <b>March 31, 2023</b>                  |  |         |      |          |            |          |                        |
| <b>June 30, 2022</b>                   |  | 736,157 | \$ 8 | \$12,313 | \$ (976)   | \$ 2,649 | \$ (124) \$ 3 \$13,873 |
| Treasury stock issued                  |  | 154     |      |          | 4          |          | 4                      |
| Stock-based compensation               |  |         |      | 4        |            |          | 4                      |
| Net income                             |  |         |      |          | 174        |          | 174                    |
| Dividends and dividend equivalents (b) |  |         |      |          | (165)      |          | (165)                  |
| Other comprehensive income (loss)      |  |         |      |          | (6)        |          | (6)                    |
| <b>September 30, 2022</b>              |  | 736,311 | \$ 8 | \$12,317 | \$ (972)   | \$ 2,658 | \$ (130) \$ 3 \$13,884 |
| <b>December 31, 2021</b>               |  | 735,112 | \$ 8 | \$12,303 | \$ (1,003) | \$ 2,572 | \$ (157) \$ — \$13,723 |
| Common stock issued                    |  | 123     |      | 12       |            |          | 12                     |
| Treasury stock issued                  |  | 1,076   |      |          | 31         |          | 31                     |
| Stock-based compensation               |  |         |      | 2        |            |          | 2                      |
| Net income                             |  |         |      |          | 566        |          | 566                    |
| Dividends and dividend equivalents (b) |  |         |      |          | (480)      |          | (480)                  |
| Preferred stock                        |  |         |      |          |            | 3        | 3                      |
| Other comprehensive income (loss)      |  |         |      |          | 27         |          | 27                     |
| <b>September 30, 2022</b>              |  | 736,311 | \$ 8 | \$12,317 | \$ (972)   | \$ 2,658 | \$ (130) \$ 3 \$13,884 |

(a) Shares in thousands. Each share entitles the holder to one vote on any question presented at any shareholders' meeting.

(b) Dividends declared per share of common stock were \$0.240 and \$0.720 \$0.2575 for the three and nine months ended September 30, 2023 March 31, 2024 and \$0.225 and \$0.650 \$0.2400 for the three and nine months ended September 30, 2022 March 31, 2023.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

### PPL Electric Utilities Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars)

|  |  | Three Months Ended September 30, |       | Nine Months Ended September 30, |         | Three Months Ended March 31, |      |
|--|--|----------------------------------|-------|---------------------------------|---------|------------------------------|------|
|  |  | 2023                             | 2022  | 2023                            | 2022    | 2024                         | 2023 |
| Operating Revenues                     | Operating Revenues                     | \$737                            | \$766 | \$2,295                         | \$2,217 |                              |      |
| Operating Expenses                     | Operating Expenses                     |                                  |       |                                 |         |                              |      |
| Operating Expenses                     |  |                                  |       |                                 |         |                              |      |
| Operating Expenses                     |  |                                  |       |                                 |         |                              |      |
| Operation                              |  |                                  |       |                                 |         |                              |      |
| Operation                              |  |                                  |       |                                 |         |                              |      |
| Operation                              | Operation                              |                                  |       |                                 |         |                              |      |
| Energy purchases                       | Energy purchases                       | 226                              | 285   | 788                             | 759     |                              |      |
| Energy purchases                       |  |                                  |       |                                 |         |                              |      |
| Energy purchases                       |  |                                  |       |                                 |         |                              |      |
| Other operation and maintenance        |  |                                  |       |                                 |         |                              |      |
| Other operation and maintenance        |  |                                  |       |                                 |         |                              |      |
| Other operation and maintenance        | Other operation and maintenance        | 151                              | 127   | 454                             | 415     |                              |      |
| Depreciation                           | Depreciation                           | 99                               | 99    | 297                             | 296     |                              |      |
| Taxes, other than income               | Taxes, other than income               | 36                               | 39    | 110                             | 108     |                              |      |
| Total Operating Expenses               | Total Operating Expenses               | 512                              | 550   | 1,649                           | 1,578   |                              |      |
| Operating Income                       | Operating Income                       | 225                              | 216   | 646                             | 639     |                              |      |
| Operating Income                       |  |                                  |       |                                 |         |                              |      |
| Operating Income                       |  |                                  |       |                                 |         |                              |      |
| Other Income (Expense) - net (Note 12) |  |                                  |       |                                 |         |                              |      |
| Other Income (Expense) - net (Note 12) |  |                                  |       |                                 |         |                              |      |
| Other Income (Expense) - net (Note 12) | Other Income (Expense) - net (Note 12) | 8                                | 6     | 29                              | 19      |                              |      |



|                                |                                |       |       |        |        |
|--------------------------------|--------------------------------|-------|-------|--------|--------|
| Interest Income from Affiliate | Interest Income from Affiliate | —     | 1     | —      | 5      |
| Interest Income from Affiliate |                                |       |       |        |        |
| Interest Income from Affiliate |                                |       |       |        |        |
| Interest Expense               |                                |       |       |        |        |
| Interest Expense               |                                |       |       |        |        |
| Interest Expense               | Interest Expense               | 54    | 43    | 165    | 122    |
| Income Before Income Taxes     | Income Before Income Taxes     |       |       |        |        |
| Income Taxes                   | Income Taxes                   | 179   | 180   | 510    | 541    |
| Income Before Income Taxes     |                                |       |       |        |        |
| Income Before Income Taxes     |                                |       |       |        |        |
| Income Taxes                   |                                |       |       |        |        |
| Income Taxes                   |                                |       |       |        |        |
| Income Taxes                   | Income Taxes                   | 43    | 37    | 126    | 131    |
| Net Income (a)                 | Net Income (a)                 | \$136 | \$143 | \$ 384 | \$ 410 |
| Net Income (a)                 |                                |       |       |        |        |
| Net Income (a)                 |                                |       |       |        |        |

(a) Net income equals comprehensive income.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

### PPL Electric Utilities Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars)

|  |  | Nine Months Ended September 30,             |       | Three Months Ended March 31, |      |
|--|--|---|-------|------------------------------|------|
|  |  | 2023  | 2022  | 2024                         | 2023 |
| <b>Cash Flows from Operating Activities</b>                                      | <b>Cash Flows from Operating Activities</b>                                      | <b>Cash Flows from Operating Activities</b> |       |                              |      |
| Net income   | Net income   | \$ 384                                      | \$410 |                              |      |
| Adjustments to reconcile net income to net cash provided by operating activities | Adjustments to reconcile net income to net cash provided by operating activities |   |       |                              |      |
| Depreciation   | Depreciation   | 297   | 296   |                              |      |
| Amortization   | Amortization   | 31  | 10    |                              |      |
| Defined benefit plans - expense (income)   | Defined benefit plans - expense (income)   | (32)  | (17)  |                              |      |
| Deferred income taxes and investment tax credits                                 | Deferred income taxes and investment tax credits                                 | 59  | 67    |                              |      |
| Other  | Other  | (19)  | (12)  |                              |      |

|  |  |  |       |
|--|--|--|-------|
| Change in current assets and current liabilities | Change in current assets and current liabilities | Change in current assets and current liabilities |       |
| Accounts receivable                              | Accounts receivable                              | (104)  | (73)  |
| Accounts payable                                 | Accounts payable                                 | (56)   | (39)  |
| Unbilled revenues                                | Unbilled revenues                                | 110  | 11    |
| Materials and supplies                           | Materials and supplies                           | (33)   | (22)  |
| Prepayments                                      | Prepayments                                      | (22)   | (12)  |
| Regulatory assets and liabilities, net           | Regulatory assets and liabilities, net           | (41)   | (57)  |
| Taxes payable                                    | Taxes payable                                    | (24)   | (26)  |
| Accrued interest                                 | Accrued interest                                 | 50   | 10    |
| Accrued interest                                 | Accrued interest                                 |  |       |
| Other  | Other  | (5)  | (25)  |
| Other operating activities                       | Other operating activities                       | Other operating activities                       |       |
| Defined benefit plans - funding                  | Defined benefit plans - funding                  | (5)  | —     |
| Other assets                                     | Other assets                                     | (2)  | (15)  |
| Other liabilities                                | Other liabilities                                | 1  | (8)   |
| Net cash provided by operating activities        | Net cash provided by operating activities        | 589  | 498   |
| Cash Flows from Investing Activities             | Cash Flows from Investing Activities             |  |       |
| Cash Flows from Investing Activities             | Cash Flows from Investing Activities             |  |       |
| Cash Flows from Investing Activities             | Cash Flows from Investing Activities             |  |       |
| Expenditures for property, plant and equipment   | Expenditures for property, plant and equipment   | (653)  | (621) |
| Expenditures for intangible assets               | Expenditures for intangible assets               | (4)  | —     |
| Notes receivable from affiliates                 | Notes receivable from affiliates                 | —  | 499   |
| Other investing activities                       | Other investing activities                       | 2  | 2     |

|   |   |       |       |
|---|---|-------|-------|
| Net cash used in investing activities       | Net cash used in investing activities       | (655) | (120) |
| <b>Cash Flows from Financing Activities</b> | <b>Cash Flows from Financing Activities</b> |       |       |

#### Cash Flows from Financing Activities

#### Cash Flows from Financing Activities

|                              |                              |         |       |
|------------------------------|------------------------------|---------|-------|
| Issuance of long-term debt   | Issuance of long-term debt   | 1,329   | 250   |
| Retirement of long-term debt | Retirement of long-term debt | (1,150) | (250) |
| Contributions from parent    | Contributions from parent    | 200     | —     |
| Return of capital to parent  |                              | (75)    | (130) |

Payment of common stock dividends to parent

Payment of common stock dividends to parent

|   |   |       |       |
|---|---|-------|-------|
| Payment of common stock dividends to parent | Payment of common stock dividends to parent | (235) | (246) |
| Net decrease in short-term debt             | Net decrease in short-term debt             | 42    | —     |
| Debt issuance costs                         | Debt issuance costs                         | (14)  | —     |
| Other financing activities                  |   | —     | (1)   |

Net cash provided by (used in) financing activities

Net cash provided by (used in) financing activities

|   |   |    |       |
|---|---|----|-------|
| Net cash provided by (used in) financing activities | Net cash provided by (used in) financing activities | 97 | (377) |
|---|---|----|-------|

#### Net Increase in Cash, Cash

#### Equivalents and Restricted Cash

#### Net Increase in Cash, Cash

#### Equivalents and Restricted Cash

|  |  |    |    |
|--|--|----|----|
| Net Increase in Cash, Cash                             | Net Increase in Cash, Cash                             | 31 | 1  |
| Equivalents and Restricted Cash                        | Equivalents and Restricted Cash                        |    |    |
| Cash, Cash   | Cash, Cash   |    |    |
| Equivalents and Restricted Cash at Beginning of Period | Equivalents and Restricted Cash at Beginning of Period | 25 | 21 |

|                      |                           |
|----------------------|---------------------------|
| Cash, Cash           | Cash, Cash                |
| Equivalents and      | Equivalents and           |
| Restricted Cash at   | Restricted Cash at        |
| End of Period        | End of Period \$ 56 \$ 22 |
| <b>Supplemental</b>  | <b>Supplemental</b>       |
| <b>Disclosure of</b> | <b>Disclosure of</b>      |
| <b>Cash Flow</b>     | <b>Cash Flow</b>          |
| <b>Information</b>   | <b>Information</b>        |

#### Supplemental Disclosure of Cash Flow Information

#### Supplemental Disclosure of Cash Flow Information

|   |                                    |
|---|------------------------------------|
| Significant non-cash transactions:                                      | Significant non-cash transactions: |
| Accrued expenditures for property, plant and equipment at September 30, | \$ 119 \$150                       |

Significant non-cash transactions:

Significant non-cash transactions:

Accrued expenditures for property, plant and equipment at March 31,

Accrued expenditures for property, plant and equipment at March 31,

Accrued expenditures for property, plant and equipment at March 31,

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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### CONDENSED CONSOLIDATED BALANCE SHEETS

#### PPL Electric Utilities Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars, shares in thousands)

|  |                                     | September 30, 2023 | December 31, 2022 |  | March 31, 2024 | December 31, 2023 |
|--|-------------------------------------|--------------------|-------------------|--|----------------|-------------------|
| <b>Assets</b>  | <b>Assets</b>                       |                    |                   | <b>Assets</b>  |                |                   |
| <b>Current Assets</b>                                      | <b>Current Assets</b>               |                    |                   |  |                |                   |
| <b>Current Assets</b>                                      | <b>Current Assets</b>               |                    |                   |  |                |                   |
| Cash and cash equivalents                                  | Cash and cash equivalents           | \$ 56              | \$ 25             |  |                |                   |
| Accounts receivable (less reserve: 2023, \$43; 2022, \$28) |                                     |                    |                   |  |                |                   |
| Accounts receivable (less reserve: 2024, \$57; 2023, \$46) |                                     |                    |                   | Accounts receivable (less reserve: 2024, \$57; 2023, \$46) |                |                   |
| Customer   | Customer                            | 447                | 357               |  |                |                   |
| Other  | Other                               | 6                  | 12                |  |                |                   |
| Accounts receivable from affiliates                        | Accounts receivable from affiliates | 4                  | 3                 |  |                |                   |

|  |     |     |
|--|-----|-----|
| Unbilled revenues (less reserve: 2023, \$1; 2022, \$2) | 114 | 224 |
| Notes receivable from affiliate                        |     |     |
| Unbilled revenues (less reserve: 2024, \$2; 2023, \$2) |     |     |
| Materials and supplies                                 | 102 | 69  |
| Prepayments  | 63  | 34  |
| Regulatory assets                                      | 52  | 13  |
| Other current assets                                   | 32  | 22  |
| Total Current Assets                                   | 876 | 759 |

#### Property, Plant and Equipment

#### Property, Plant and Equipment

| Property, Plant and Equipment                            | Property, Plant and Equipment |  |        |
|--|-------------------------------|--|--------|
| Regulated utility plant                                  | 15,323                        |  | 14,794 |
| Less: accumulated depreciation - regulated utility plant | 3,761                         |  | 3,544  |
| Regulated utility plant, net                             | 11,562                        |  | 11,250 |
| Construction work in progress                            | 664                           |  | 593    |

Construction work in progress

Construction work in progress

|                                    |        |        |
|------------------------------------|--------|--------|
| Property, Plant and Equipment, net | 12,226 | 11,843 |
|------------------------------------|--------|--------|

#### Other Noncurrent Assets

#### Other Noncurrent Assets

| Other Noncurrent Assets  | Other Noncurrent Assets |  |     |
|--|-------------------------|--|-----|
| Regulatory assets  | 561                     |  | 568 |
| Intangibles  | 268                     |  | 269 |
| Other noncurrent assets (less reserve for accounts receivable: 2023, \$3; 2022, \$2) | 138                     |  | 126 |

|  |                               |                  |                  |
|--|-------------------------------|------------------|------------------|
| Other noncurrent assets (less reserve for accounts receivable: 2024, \$3; 2023, \$2) |                               |                  |                  |
| Other noncurrent assets (less reserve for accounts receivable: 2024, \$3; 2023, \$2) |                               |                  |                  |
| Other noncurrent assets (less reserve for accounts receivable: 2024, \$3; 2023, \$2) |                               |                  |                  |
| Total Other Noncurrent Assets  | Total Other Noncurrent Assets | 967              | 963              |
| <b>Total Assets</b>  | <b>Total Assets</b>           | <b>\$ 14,069</b> | <b>\$ 13,565</b> |
| <b>Total Assets</b>  |                               |                  |                  |
| <b>Total Assets</b>  |                               |                  |                  |

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED CONSOLIDATED BALANCE SHEETS

### PPL Electric Utilities Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars, shares in thousands)

|                                    |                                | September 30, 2023 | December 31, 2022 | March 31, 2024 | December 31, 2023 |
|------------------------------------|--------------------------------|--------------------|-------------------|----------------|-------------------|
| Liabilities and Equity             | Liabilities and Equity         |                    |                   |                |                   |
| Current Liabilities                | Current Liabilities            |                    |                   |                |                   |
| <b>Current Liabilities</b>         |                                |                    |                   |                |                   |
| Short-term debt                    | Short-term debt                | \$ 187             | \$ 145            |                |                   |
| Long-term debt due within one year |                                | 90                 | 340               |                |                   |
| Accounts payable                   |                                |                    |                   |                |                   |
| Accounts payable                   |                                |                    |                   |                |                   |
| Accounts payable                   | Accounts payable               | 393                | 480               |                |                   |
| Accounts payable to affiliates     | Accounts payable to affiliates | 30                 | 16                |                |                   |
| Taxes                              | Taxes                          | 12                 | 36                |                |                   |
| Interest                           | Interest                       | 85                 | 35                |                |                   |
| Regulatory liabilities             | Regulatory liabilities         | 83                 | 85                |                |                   |
| Other current liabilities          | Other current liabilities      | 92                 | 86                |                |                   |
| Other current liabilities          |                                |                    |                   |                |                   |
| Other current liabilities          |                                |                    |                   |                |                   |

|                                 |                                 |       |       |
|---------------------------------|---------------------------------|-------|-------|
| Total<br>Current<br>Liabilities | Total<br>Current<br>Liabilities | 972   | 1,223 |
| Long-term<br>Debt               | Long-term<br>Debt               | 4,566 | 4,146 |

#### Long-term Debt

#### Long-term Debt

#### Deferred Credits and Other Noncurrent Liabilities

#### Deferred Credits and Other Noncurrent Liabilities

|   |   |       |       |
|---|---|-------|-------|
| Deferred<br>Credits and<br>Other<br>Noncurrent<br>Liabilities | Deferred<br>Credits and<br>Other<br>Noncurrent<br>Liabilities |       |       |
| Deferred<br>income<br>taxes                                   | Deferred<br>income<br>taxes                                   | 1,576 | 1,514 |
| Regulatory<br>liabilities                                     | Regulatory<br>liabilities                                     | 838   | 820   |
| Other<br>deferred<br>credits and<br>noncurrent<br>liabilities | Other<br>deferred<br>credits and<br>noncurrent<br>liabilities | 92    | 111   |

|  |  |       |       |
|--|--|-------|-------|
| Total<br>Deferred<br>Credits and<br>Other<br>Noncurrent<br>Liabilities | Total<br>Deferred<br>Credits and<br>Other<br>Noncurrent<br>Liabilities | 2,506 | 2,445 |
|--|--|-------|-------|

#### Commitments and Contingent Liabilities (Notes 6 and 10)

#### Commitments and Contingent Liabilities (Notes 6 and 10)

#### Commitments and Contingent Liabilities (Notes 6 and 10)

#### Equity

#### Equity

|                                       |                                       |       |       |
|---------------------------------------|---------------------------------------|-------|-------|
| Equity                                | Equity                                |       |       |
| Common<br>stock - no<br>par value (a) | Common<br>stock - no<br>par value (a) | 364   | 364   |
| Additional<br>paid-in<br>capital      | Additional<br>paid-in<br>capital      | 4,209 | 4,084 |
| Earnings<br>reinvested                | Earnings<br>reinvested                | 1,452 | 1,303 |
| Total Equity                          | Total Equity                          | 6,025 | 5,751 |

|                               |                               |
|-------------------------------|-------------------------------|
| <b>Total</b>                  | <b>Total</b>                  |
| <b>Liabilities and Equity</b> | <b>Liabilities and Equity</b> |
|                               | <b>\$ 14,069 \$ 13,565</b>    |

**Total Liabilities and Equity**

**Total Liabilities and Equity**

(a) 170,000 shares authorized; 66,368 shares issued and outstanding at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

*The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.*

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## CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

### PPL Electric Utilities Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars)

|                                   | Common<br>stock<br>shares<br>outstanding<br>(a) | Common<br>stock | Additional<br>paid-in<br>capital | Earnings<br>reinvested | Total    |
|-----------------------------------|---|-----------------|----------------------------------|------------------------|----------|
| <b>June 30, 2023</b>              | 66,368  | \$ 364          | \$ 4,259                         | \$ 1,388               | \$ 6,011 |
| Net income                        |   |                 |                                  | 136                    | 136      |
| Return of capital to parent       |   |                 | (50)                             |                        | (50)     |
| Dividends declared                |   |                 |                                  | (72)                   | (72)     |
| <b>September 30, 2023</b>         | 66,368  | \$ 364          | \$ 4,209                         | \$ 1,452               | \$ 6,025 |
| <b>December 31, 2022</b>          | 66,368  | \$ 364          | \$ 4,084                         | \$ 1,303               | \$ 5,751 |
| Net income                        |   |                 |                                  | 384                    | 384      |
| Capital contributions from parent |   |                 | 200                              |                        | 200      |
| Return of capital to parent       |   |                 | (75)                             |                        | (75)     |
| Dividends declared                |   |                 |                                  | (235)                  | (235)    |
| <b>September 30, 2023</b>         | 66,368  | \$ 364          | \$ 4,209                         | \$ 1,452               | \$ 6,025 |
| <b>June 30, 2022</b>              | 66,368  | \$ 364          | \$ 4,189                         | \$ 1,220               | \$ 5,773 |
| Net income                        |   |                 |                                  | 143                    | 143      |
| Return of capital to parent       |   |                 | (65)                             |                        | (65)     |
| Dividends declared                |   |                 |                                  | (81)                   | (81)     |
| <b>September 30, 2022</b>         | 66,368  | \$ 364          | \$ 4,124                         | \$ 1,282               | \$ 5,770 |
| <b>December 31, 2021</b>          | 66,368  | \$ 364          | \$ 4,254                         | \$ 1,118               | \$ 5,736 |
| Net income                        |   |                 |                                  | 410                    | 410      |
| Return of capital to parent       |   |                 | (130)                            |                        | (130)    |
| Dividends declared                |   |                 |                                  | (246)                  | (246)    |
| <b>September 30, 2022</b>         | 66,368  | \$ 364          | \$ 4,124                         | \$ 1,282               | \$ 5,770 |

|                                   | Common<br>stock<br>shares<br>outstanding<br>(a) | Common<br>stock | Additional<br>paid-in<br>capital | Earnings<br>reinvested | Total    |
|-----------------------------------|---|-----------------|----------------------------------|------------------------|----------|
| <b>December 31, 2023</b>          | 66,368  | \$ 364          | \$ 4,040                         | \$ 1,499               | \$ 5,903 |
| Net income                        |   |                 |                                  | 149                    | 149      |
| Capital contributions from parent |   |                 | 675                              |                        | 675      |



|                                   |               |               |                 |                 |                 |
|-----------------------------------|---------------|---------------|-----------------|-----------------|-----------------|
| Dividends declared                |               |               |                 | (88)            | (88)            |
| <b>March 31, 2024</b>             | <u>66,368</u> | <u>\$ 364</u> | <u>\$ 4,715</u> | <u>\$ 1,560</u> | <u>\$ 6,639</u> |
| <b>December 31, 2022</b>          | 66,368        | \$ 364        | \$ 4,084        | \$ 1,303        | \$ 5,751        |
| Net income                        |               |               |                 | 138             | 138             |
| Capital contributions from parent |               |               | 200             |                 | 200             |
| Dividends declared                |               |               |                 | (74)            | (74)            |
| <b>March 31, 2023</b>             | <u>66,368</u> | <u>\$ 364</u> | <u>\$ 4,284</u> | <u>\$ 1,367</u> | <u>\$ 6,015</u> |

(a) Shares in thousands. All common shares of PPL Electric stock are owned by PPL Energy Holdings.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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CONDENSED STATEMENTS OF INCOME  
Louisville Gas and Electric Company

(Unaudited)  
(Millions of Dollars)

|                                 |                                 | Three Months Ended September 30, |       | Nine Months Ended September 30, |         | Three Months Ended March 31, |  |      |
|---------------------------------|---------------------------------|----------------------------------|-------|---------------------------------|---------|------------------------------|--|------|
|                                 |                                 |                                  |       |                                 |         |                              |  |      |
|                                 |                                 | 2023                             | 2022  | 2023                            | 2022    |                              |  |      |
|                                 |                                 |                                  |       |                                 |         | 2024                         |  | 2023 |
| <b>Operating Revenues</b>       | <b>Operating Revenues</b>       |                                  |       |                                 |         |                              |  |      |
| Retail and wholesale            | Retail and wholesale            | \$396                            | \$433 | \$1,204                         | \$1,313 |                              |  |      |
|                                 | Retail and wholesale            |                                  |       |                                 |         |                              |  |      |
|                                 | Retail and wholesale            |                                  |       |                                 |         |                              |  |      |
| Electric revenue from affiliate | Electric revenue from affiliate | 2                                | 3     | 23                              | 26      |                              |  |      |
| Total Operating Revenues        | Total Operating Revenues        | 398                              | 436   | 1,227                           | 1,339   |                              |  |      |
| <b>Operating Expenses</b>       | <b>Operating Expenses</b>       |                                  |       |                                 |         |                              |  |      |
| <b>Operating Expenses</b>       | <b>Operating Expenses</b>       |                                  |       |                                 |         |                              |  |      |
| Operation                       | Operation                       |                                  |       |                                 |         |                              |  |      |
| Fuel                            | Fuel                            | 70                               | 94    | 217                             | 265     |                              |  |      |
| Energy purchases                | Energy purchases                | 17                               | 28    | 123                             | 162     |                              |  |      |
| Energy purchases from affiliate | Energy purchases from affiliate | 8                                | 9     | 11                              | 18      |                              |  |      |

|                                 |                                 |     |     |     |       |
|---------------------------------|---------------------------------|-----|-----|-----|-------|
| Other operation and maintenance | Other operation and maintenance | 91  | 98  | 275 | 301   |
| Depreciation                    | Depreciation                    | 76  | 74  | 227 | 223   |
| Taxes, other than income        | Taxes, other than income        | 12  | 12  | 36  | 36    |
| Total Operating Expenses        | Total Operating Expenses        | 274 | 315 | 889 | 1,005 |
| Operating Income                | Operating Income                | 124 | 121 | 338 | 334   |

#### Operating Income

#### Operating Income

|                              |                              |   |   |   |   |
|------------------------------|------------------------------|---|---|---|---|
| Other Income (Expense) - net | Other Income (Expense) - net | — | — | 2 | 3 |
|------------------------------|------------------------------|---|---|---|---|

#### Other Income (Expense) - net

#### Other Income (Expense) - net

|                                 |   |   |   |   |
|---------------------------------|---|---|---|---|
| Interest Income from Affiliates | 1 | — | 1 | — |
|---------------------------------|---|---|---|---|

#### Interest Expense

#### Interest Expense

|                  |                  |    |    |    |    |
|------------------|------------------|----|----|----|----|
| Interest Expense | Interest Expense | 25 | 23 | 76 | 64 |
|------------------|------------------|----|----|----|----|

#### Income Before Income Taxes

#### Income Before Income Taxes

|              |              |     |    |     |     |
|--------------|--------------|-----|----|-----|-----|
| Income Taxes | Income Taxes | 100 | 98 | 265 | 273 |
|--------------|--------------|-----|----|-----|-----|

#### Income Before Income Taxes

#### Income Before Income Taxes

#### Income Taxes

#### Income Taxes

|              |              |    |    |    |    |
|--------------|--------------|----|----|----|----|
| Income Taxes | Income Taxes | 21 | 21 | 55 | 49 |
|--------------|--------------|----|----|----|----|

|                |                |       |       |        |        |
|----------------|----------------|-------|-------|--------|--------|
| Net Income (a) | Net Income (a) | \$ 79 | \$ 77 | \$ 210 | \$ 224 |
|----------------|----------------|-------|-------|--------|--------|

#### Net Income (a)

#### Net Income (a)

(a) Net income equals comprehensive income.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED STATEMENTS OF CASH FLOWS

### Louisville Gas and Electric Company

(Unaudited)

(Millions of Dollars)

|                                      |                                      | Nine Months Ended September 30,      |       | Three Months Ended March 31, |      |
|--------------------------------------|--------------------------------------|--------------------------------------|-------|------------------------------|------|
|                                      |                                      | 2023                                 | 2022  | 2024                         | 2023 |
| Cash Flows from Operating Activities | Cash Flows from Operating Activities | Cash Flows from Operating Activities |       |                              |      |
| Net income                           | Net income                           | \$210                                | \$224 |                              |      |

|  |  |      |      |  |
|--|--|------|------|--|
| Adjustments to reconcile net income to net cash provided by operating activities | Adjustments to reconcile net income to net cash provided by operating activities |      |      | Adjustments to reconcile net income to net cash provided by operating activities |
| Depreciation   | Depreciation   | 227  | 223  |  |
| Amortization   | Amortization   | 9    | (1)  |  |
| Defined benefit plans - expense (income)   | Defined benefit plans - expense (income)   | —    | (1)  |  |
| Deferred income taxes and investment tax credits                                 | Deferred income taxes and investment tax credits                                 | (3)  | (3)  |  |
| Other  |  | (7)  | 3    |  |
| Change in current assets and current liabilities                                 |  |      |      |  |
| Change in current assets and current liabilities                                 |  |      |      |  |
| Change in current assets and current liabilities                                 | Change in current assets and current liabilities                                 |      |      |  |
| Accounts receivable  | Accounts receivable  | 37   | 15   |  |
| Accounts receivable from affiliates  | Accounts receivable from affiliates  | 17   | 5    |  |
| Accounts payable   | Accounts payable   | (51) | 10   |  |
| Accounts payable to affiliates   | Accounts payable to affiliates   | (9)  | 19   |  |
| Unbilled revenues  | Unbilled revenues  | 43   | 11   |  |
| Fuel, materials and supplies   | Fuel, materials and supplies   | 25   | (22) |  |
| Regulatory assets and liabilities, net   | Regulatory assets and liabilities, net   | 34   | (12) |  |
| Taxes payable  | Taxes payable  | (4)  | 4    |  |
| Taxes payable  |  |      |      |  |
| Accrued interest   | Accrued interest   | 29   | 17   |  |
| Other  | Other  | (3)  | (4)  |  |
| Other operating activities   | Other operating activities   |      |      | Other operating activities   |
| Defined benefit plans - funding  | Defined benefit plans - funding  | (1)  | (2)  |  |

|  |  |       |       |
|--|--|-------|-------|
| Expenditures for asset retirement obligations          | Expenditures for asset retirement obligations  | (9)   | (10)  |
| Other assets   | Other assets                                   | (19)  | (3)   |
| Other assets   |  |       |       |
| Other assets   |  |       |       |
| Other liabilities                                      | Other liabilities                              | 1     | —     |
| Net cash provided by operating activities              | Net cash provided by operating activities      | 526   | 473   |
| <b>Cash Flows from Investing Activities</b>            | <b>Cash Flows from Investing Activities</b>    |       |       |
| Expenditures for property, plant and equipment         | Expenditures for property, plant and equipment | (277) | (273) |
| Net increase in notes receivable with affiliates       |  |       |       |
| Net cash used in investing activities                  | Net cash used in investing activities          | (277) | (273) |
| Net cash used in investing activities                  |  |       |       |
| Net cash used in investing activities                  |  |       |       |
| <b>Cash Flows from Financing Activities</b>            | <b>Cash Flows from Financing Activities</b>    |       |       |
| Net increase (decrease) in notes payable to affiliates |  | 6     | (310) |
| Issuance of long-term debt                             |  |       |       |
| Issuance of long-term debt                             |  |       |       |
| Issuance of long-term debt                             | Issuance of long-term debt                     | 399   | 300   |
| Retirement of long-term debt                           | Retirement of long-term debt                   | (300) | —     |
| Net increase (decrease) in short-term debt             | Net increase (decrease) in short-term debt     | (179) | 41    |
| Net increase (decrease) in short-term debt             |  |       |       |
| Net increase (decrease) in short-term debt             |  |       |       |
| Payment of common stock dividends to parent            | Payment of common stock dividends to parent    | (115) | (224) |
| Contributions from parent                              |  | 20    | 10    |

|   |  |             |
|---|--|-------------|
| Payment of common stock dividends to parent                             |  |             |
| Payment of common stock dividends to parent                             |  |             |
| Return of capital to parent   |  |             |
| Return of capital to parent   |  |             |
| Return of capital to parent   | Return of capital to parent                      | (161) —     |
| Other financing activities  | Other financing activities                       | (4) (1)     |
| Net cash used in financing activities                                   | Net cash used in financing activities            | (334) (184) |
| Net Increase (Decrease) in Cash and Cash Equivalents                    |  | (85) 16     |
| Cash and Cash Equivalents at Beginning of Period                        |  | 93 9        |
| Cash and Cash Equivalents at End of Period                              |  | \$ 8 \$ 25  |
| Net Decrease in Cash, Cash Equivalents, and Restricted Cash             |  |             |
| Cash, Cash Equivalents, and Restricted Cash at Beginning of Period      |  |             |
| Cash, Cash Equivalents, and Restricted Cash at End of Period            |  |             |
| Supplemental Disclosure of Cash Flow Information                        |  |             |
| Supplemental Disclosure of Cash Flow Information                        |  |             |
| Supplemental Disclosure of Cash Flow Information                        | Supplemental Disclosure of Cash Flow Information |             |
| Significant non-cash transactions:                                      | Significant non-cash transactions:               |             |
| Accrued expenditures for property, plant and equipment at September 30, |  | \$ 30 \$ 36 |
| Significant non-cash transactions:                                      |  |             |
| Significant non-cash transactions:                                      |  |             |
| Accrued expenditures for property, plant and equipment at March 31,     |  |             |
| Accrued expenditures for property, plant and equipment at March 31,     |  |             |
| Accrued expenditures for property, plant and equipment at March 31,     |  |             |

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

## CONDENSED BALANCE SHEETS

### Louisville Gas and Electric Company

(Unaudited)

(Millions of Dollars, shares in thousands)

|  |                                     | September 30, 2023 | December 31, 2022 |  | March 31, 2024 | December 31, 2023 |
|--|-------------------------------------|--------------------|-------------------|--|----------------|-------------------|
| Assets   | Assets                              |                    |                   | Assets   |                |                   |
| Current Assets   | Current Assets                      |                    |                   |  |                |                   |
| Assets   | Assets                              |                    |                   |  |                |                   |
| Current Assets   | Current Assets                      |                    |                   |  |                |                   |
| Cash and cash equivalents                                | Cash and cash equivalents           | \$ 8               | \$ 93             |  |                |                   |
| Accounts receivable (less reserve: 2023, \$5; 2022, \$4) |                                     |                    |                   |  |                |                   |
| Accounts receivable (less reserve: 2024, \$5; 2023, \$6) |                                     |                    |                   | Accounts receivable (less reserve: 2024, \$5; 2023, \$6) |                |                   |
| Customer   | Customer                            | 116                | 157               |  |                |                   |
| Other  | Other                               | 20                 | 13                |  |                |                   |
| Unbilled revenues (less reserve: 2023, \$0; 2022, \$0)   |                                     | 69                 | 112               |  |                |                   |
| Unbilled revenues (less reserve: 2024, \$0; 2023, \$0)   |                                     |                    |                   |  |                |                   |
| Accounts receivable from affiliates                      | Accounts receivable from affiliates | 19                 | 37                |  |                |                   |
| Notes receivable from affiliates                         |                                     |                    |                   |  |                |                   |
| Fuel, materials and supplies                             | Fuel, materials and supplies        | 141                | 166               |  |                |                   |
| Prepayments  | Prepayments                         | 15                 | 13                |  |                |                   |
| Regulatory assets  | Regulatory assets                   | 5                  | 23                |  |                |                   |
| Regulatory assets  |                                     |                    |                   |  |                |                   |
| Regulatory assets  |                                     |                    |                   |  |                |                   |
| Other current assets                                     | Other current assets                | 3                  | 2                 |  |                |                   |
| Total Current Assets                                     | Total Current Assets                | 396                | 616               |  |                |                   |
| Total Current Assets                                     |                                     |                    |                   |  |                |                   |
| Property, Plant and Equipment                            |                                     |                    |                   |  |                |                   |
| Property, Plant and Equipment                            |                                     |                    |                   |  |                |                   |

| Property, Plant and Equipment                            | Property, Plant and Equipment                            |       |       |
|--|--|-------|-------|
| Regulated utility plant                                  | Regulated utility plant                                  | 7,591 | 7,429 |
| Less: accumulated depreciation - regulated utility plant | Less: accumulated depreciation - regulated utility plant | 1,495 | 1,355 |
| Regulated utility plant, net                             | Regulated utility plant, net                             | 6,096 | 6,074 |
| Construction work in progress                            | Construction work in progress                            | 305   | 268   |
| Property, Plant and Equipment, net                       | Property, Plant and Equipment, net                       | 6,401 | 6,342 |
| Other Noncurrent Assets                                  | Other Noncurrent Assets                                  |       |       |

## Other Noncurrent Assets

|                               |                               |          |          |
|-------------------------------|-------------------------------|----------|----------|
| Regulatory assets             | Regulatory assets             | 380      | 373      |
| Goodwill                      | Goodwill                      | 389      | 389      |
| Other intangibles             | Other intangibles             | 19       | 24       |
| Other noncurrent assets       | Other noncurrent assets       | 75       | 66       |
| Total Other Noncurrent Assets | Total Other Noncurrent Assets | 863      | 852      |
| Total Assets                  | Total Assets                  | \$ 7,660 | \$ 7,810 |

## Total Assets

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED BALANCE SHEETS

### Louisville Gas and Electric Company

(Unaudited)  
(Millions of Dollars, shares in thousands)

|                        | September 30, 2023     | December 31, 2022 | March 31, 2024         | December 31, 2023 |
|------------------------|------------------------|-------------------|------------------------|-------------------|
| Liabilities and Equity | Liabilities and Equity |                   | Liabilities and Equity |                   |
| Current Liabilities    | Current Liabilities    |                   |                        |                   |
| Current Liabilities    | Current Liabilities    |                   |                        |                   |

|                             |                 |    |   |    |     |
|-----------------------------|-----------------|----|---|----|-----|
| Short-term debt             | Short-term debt | \$ | — | \$ | 179 |
| Notes payable to affiliates |                 |    | 6 |    | —   |

#### Accounts payable

#### Accounts payable

|                                   |                                   |       |       |
|-----------------------------------|-----------------------------------|-------|-------|
| Accounts payable                  | Accounts payable                  | 104   | 165   |
| Accounts payable to affiliates    | Accounts payable to affiliates    | 48    | 60    |
| Customer deposits                 | Customer deposits                 | 34    | 32    |
| Taxes                             | Taxes                             | 37    | 41    |
| Price risk management liabilities | Price risk management liabilities | —     | 1     |
| Regulatory liabilities            | Regulatory liabilities            | 23    | 7     |
| Interest                          | Interest                          | 44    | 15    |
| Asset retirement obligations      | Asset retirement obligations      | 12    | 13    |
| Other current liabilities         | Other current liabilities         | 48    | 46    |
| Total Current Liabilities         | Total Current Liabilities         | 356   | 559   |
| Long-term Debt                    | Long-term Debt                    | 2,404 | 2,307 |

#### Long-term Debt

#### Long-term Debt

#### Deferred Credits and Other

#### Noncurrent Liabilities

#### Deferred Credits and Other

#### Noncurrent Liabilities

|   |   |     |     |
|---|---|-----|-----|
| Deferred Credits and Other Noncurrent Liabilities | Deferred Credits and Other Noncurrent Liabilities |     |     |
| Deferred income taxes                             | Deferred income taxes                             | 781 | 771 |
| Investment tax credits                            | Investment tax credits                            | 31  | 31  |
| Price risk management liabilities                 | Price risk management liabilities                 | 3   | 6   |
| Asset retirement obligations                      | Asset retirement obligations                      | 74  | 73  |

#### Asset retirement obligations

#### Asset retirement obligations

|                        |                        |     |     |
|------------------------|------------------------|-----|-----|
| Regulatory liabilities | Regulatory liabilities | 830 | 833 |
|------------------------|------------------------|-----|-----|



|   |   |          |          |
|---|---|----------|----------|
| Other deferred credits and noncurrent liabilities       | Other deferred credits and noncurrent liabilities       | 61       | 64       |
| Total Deferred Credits and Other Noncurrent Liabilities | Total Deferred Credits and Other Noncurrent Liabilities | 1,780    | 1,778    |
| Commitments and Contingent Liabilities (Notes 6 and 10) | Commitments and Contingent Liabilities (Notes 6 and 10) |          |          |
| Commitments and Contingent Liabilities (Notes 6 and 10) | Commitments and Contingent Liabilities (Notes 6 and 10) |          |          |
| Commitments and Contingent Liabilities (Notes 6 and 10) | Commitments and Contingent Liabilities (Notes 6 and 10) |          |          |
| Stockholder's Equity                                    | Stockholder's Equity                                    |          |          |
| Common stock - no par value (a)                         | Common stock - no par value (a)                         | 424      | 424      |
| Additional paid-in capital                              | Additional paid-in capital                              | 1,946    | 2,087    |
| Earnings reinvested                                     | Earnings reinvested                                     | 750      | 655      |
| Total Equity  | Total Equity  | 3,120    | 3,166    |
| Total Liabilities and Equity                            | Total Liabilities and Equity                            | \$ 7,660 | \$ 7,810 |
| Total Liabilities and Equity                            | Total Liabilities and Equity                            |          |          |

(a) 75,000 shares authorized; 21,294 shares issued and outstanding at [September 30, 2023](#) [March 31, 2024](#) and [December 31, 2022](#) [December 31, 2023](#).

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED STATEMENTS OF EQUITY

### Louisville Gas and Electric Company

(Unaudited)  
(Millions of Dollars)

|               | Common stock shares outstanding |              |                 |                     | Additional paid-in capital |     | Earnings reinvested |                            | Total               |       |
|---------------|---------------------------------|--------------|-----------------|---------------------|----------------------------|-----|---------------------|----------------------------|---------------------|-------|
|               | (a)                             | Common stock | paid-in capital | Earnings reinvested | Total                      | (a) | Common stock        | Additional paid-in capital | Earnings reinvested | Total |
| June 30, 2023 | 21,294                          | \$ 424       | \$ 1,987        | \$ 700              | \$3,111                    |     |                     |                            |                     |       |

|                                   |                             |        |        |          |        |         |
|-----------------------------------|-----------------------------|--------|--------|----------|--------|---------|
| December 31, 2023                 |                             |        |        |          |        |         |
| December 31, 2023                 |                             |        |        |          |        |         |
| December 31, 2023                 |                             |        |        |          |        |         |
| Net income                        | Net income                  |        |        |          | 79     | 79      |
| Return of capital to parent       | Return of capital to parent |        |        | (41)     |        | (41)    |
| Return of capital to parent       |                             |        |        |          |        |         |
| Return of capital to parent       |                             |        |        |          |        |         |
| Dividends declared                | Dividends declared          |        |        |          | (29)   | (29)    |
| September 30, 2023                |                             | 21,294 | \$ 424 | \$ 1,946 | \$ 750 | \$3,120 |
| March 31, 2024                    |                             |        |        |          |        |         |
| December 31, 2022                 |                             |        |        |          |        |         |
| December 31, 2022                 |                             |        |        |          |        |         |
| December 31, 2022                 | December 31, 2022           | 21,294 | \$ 424 | \$ 2,087 | \$ 655 | \$3,166 |
| Net income                        | Net income                  |        |        |          | 210    | 210     |
| Capital contributions from parent |                             |        |        | 20       |        | 20      |
| Return of capital to parent       |                             |        |        |          |        |         |
| Return of capital to parent       |                             |        |        |          |        |         |
| Return of capital to parent       | Return of capital to parent |        |        | (161)    |        | (161)   |
| Dividends declared                | Dividends declared          |        |        |          | (115)  | (115)   |
| September 30, 2023                |                             | 21,294 | \$ 424 | \$ 1,946 | \$ 750 | \$3,120 |
| June 30, 2022                     |                             | 21,294 | \$ 424 | \$ 2,007 | \$ 669 | \$3,100 |
| Net income                        |                             |        |        |          | 77     | 77      |
| Dividends declared                |                             |        |        |          | (88)   | (88)    |
| September 30, 2022                |                             | 21,294 | \$ 424 | \$ 2,007 | \$ 658 | \$3,089 |
| December 31, 2021                 |                             | 21,294 | \$ 424 | \$ 1,997 | \$ 658 | \$3,079 |
| Net income                        |                             |        |        |          | 224    | 224     |
| Capital contributions from parent |                             |        |        | 10       |        | 10      |
| Dividends declared                |                             |        |        |          | (224)  | (224)   |
| September 30, 2022                |                             | 21,294 | \$ 424 | \$ 2,007 | \$ 658 | \$3,089 |
| March 31, 2023                    |                             |        |        |          |        |         |

(a) Shares in thousands. All common shares of LG&E stock are owned by LKE.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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[Table of Contents](#)**CONDENSED STATEMENTS OF INCOME****Kentucky Utilities Company**

(Unaudited)

(Millions of Dollars)

|                                 |                                 | Three Months Ended September 30, |       | Nine Months Ended September 30, |         | Three Months Ended March 31, |  |  |      |
|---------------------------------|---------------------------------|----------------------------------|-------|---------------------------------|---------|------------------------------|--|--|------|
|                                 |                                 | 2023                             | 2022  | 2023                            | 2022    | 2024                         |  |  | 2023 |
| Operating Revenues              | Operating Revenues              |                                  |       |                                 |         |                              |  |  |      |
| Retail and wholesale            | Retail and wholesale            | \$497                            | \$544 | \$1,428                         | \$1,551 |                              |  |  |      |
| Retail and wholesale            |                                 |                                  |       |                                 |         |                              |  |  |      |
| Retail and wholesale            |                                 |                                  |       |                                 |         |                              |  |  |      |
| Electric revenue from affiliate | Electric revenue from affiliate | 8                                | 9     | 11                              | 18      |                              |  |  |      |
| Total Operating Revenues        | Total Operating Revenues        | 505                              | 553   | 1,439                           | 1,569   |                              |  |  |      |
| Operating Expenses              |                                 |                                  |       |                                 |         |                              |  |  |      |
| Operating Expenses              |                                 |                                  |       |                                 |         |                              |  |  |      |
| Operating Expenses              | Operating Expenses              |                                  |       |                                 |         |                              |  |  |      |
| Operation                       | Operation                       |                                  |       |                                 |         | Operation                    |  |  |      |
| Fuel                            | Fuel                            | 129                              | 174   | 350                             | 444     |                              |  |  |      |
| Energy purchases                | Energy purchases                | 6                                | 6     | 18                              | 18      |                              |  |  |      |
| Energy purchases from affiliate | Energy purchases from affiliate | 2                                | 3     | 23                              | 26      |                              |  |  |      |
| Other operation and maintenance | Other operation and maintenance | 101                              | 115   | 327                             | 348     |                              |  |  |      |
| Depreciation                    | Depreciation                    | 98                               | 96    | 294                             | 289     |                              |  |  |      |
| Taxes, other than income        | Taxes, other than income        | 12                               | 11    | 34                              | 33      |                              |  |  |      |
| Total Operating Expenses        | Total Operating Expenses        | 348                              | 405   | 1,046                           | 1,158   |                              |  |  |      |
| Operating Income                | Operating Income                | 157                              | 148   | 393                             | 411     |                              |  |  |      |
| Operating Income                |                                 |                                  |       |                                 |         |                              |  |  |      |
| Operating Income                |                                 |                                  |       |                                 |         |                              |  |  |      |
| Other Income (Expense) - net    |                                 |                                  |       |                                 |         |                              |  |  |      |
| Other Income (Expense) - net    |                                 |                                  |       |                                 |         |                              |  |  |      |
| Other Income (Expense) - net    | Other Income (Expense) - net    | 1                                | 2     | 6                               | 6       |                              |  |  |      |
| Interest Expense                | Interest Expense                | 33                               | 31    | 99                              | 86      |                              |  |  |      |

|                                  |                |       |       |        |        |
|----------------------------------|----------------|-------|-------|--------|--------|
| Interest Expense                 |                |       |       |        |        |
| Interest Expense                 |                |       |       |        |        |
| Interest Expense from Affiliates |                | —     | —     | 1      | —      |
| Income Before Income Taxes       |                |       |       |        |        |
| Income Before Income Taxes       |                |       |       |        |        |
| Income Before                    | Income Before  |       |       |        |        |
| Income Taxes                     | Income Taxes   | 125   | 119   | 299    | 331    |
| Income Taxes                     | Income Taxes   | 24    | 24    | 59     | 63     |
| Income Taxes                     |                |       |       |        |        |
| Income Taxes                     |                |       |       |        |        |
| Net Income (a)                   | Net Income (a) | \$101 | \$ 95 | \$ 240 | \$ 268 |
| Net Income (a)                   |                |       |       |        |        |
| Net Income (a)                   |                |       |       |        |        |

(a) Net income equals comprehensive income.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED STATEMENTS OF CASH FLOWS

### Kentucky Utilities Company

(Unaudited)

(Millions of Dollars)

|  |  | Nine Months Ended September 30, |       | Three Months Ended March 31, |      |
|--|--|---------------------------------|-------|------------------------------|------|
|  |  | 2023                            | 2022  | 2024                         | 2023 |
| Cash Flows from Operating Activities   | Cash Flows from Operating Activities   |                                 |       |                              |      |
| Net income   | Net income   | \$240                           | \$268 |                              |      |
| Adjustments to reconcile net income to net cash provided by operating activities | Adjustments to reconcile net income to net cash provided by operating activities |                                 |       |                              |      |
| Depreciation   | Depreciation   | 294                             | 289   |                              |      |
| Amortization   | Amortization   | 14                              | 12    |                              |      |
| Defined benefit plans - (income)   | Defined benefit plans - (income)   | (4)                             | (3)   |                              |      |
| Deferred income taxes and investment tax credits                                 | Deferred income taxes and investment tax credits                                 | (7)                             | (2)   |                              |      |
| Other  | Other  | —                               | 3     |                              |      |
| Change in current assets and current liabilities                                 | Change in current assets and current liabilities                                 |                                 |       |                              |      |

|  |  |       |       |                                      |
|--|--|-------|-------|--------------------------------------|
| Accounts receivable                            | Accounts receivable                            | 10    | (17)  |                                      |
| Accounts payable                               | Accounts payable                               | (31)  | 7     |                                      |
| Accounts payable                               |  |       |       |                                      |
| Accounts payable                               |  |       |       |                                      |
| Accounts payable to affiliates                 | Accounts payable to affiliates                 | (27)  | 22    |                                      |
| Unbilled revenues                              | Unbilled revenues                              | 28    | 4     |                                      |
| Fuel, materials and supplies                   | Fuel, materials and supplies                   | (8)   | (17)  |                                      |
| Regulatory assets and liabilities, net         | Regulatory assets and liabilities, net         | 30    | (20)  |                                      |
| Taxes payable                                  |  |       |       |                                      |
| Taxes payable                                  |  |       |       |                                      |
| Taxes payable                                  | Taxes payable                                  | 8     | 15    |                                      |
| Accrued interest                               | Accrued interest                               | 37    | 26    |                                      |
| Other  | Other  | (2)   | (5)   |                                      |
| Other operating activities                     | Other operating activities                     |       |       | Other operating activities           |
| Defined benefit plans - funding                | Defined benefit plans - funding                | (1)   | (1)   |                                      |
| Expenditures for asset retirement obligations  | Expenditures for asset retirement obligations  | (17)  | (23)  |                                      |
| Other assets                                   | Other assets                                   | (22)  | 1     |                                      |
| Other assets                                   |  |       |       |                                      |
| Other assets                                   |  |       |       |                                      |
| Other liabilities                              | Other liabilities                              | (2)   | (3)   |                                      |
| Net cash provided by operating activities      | Net cash provided by operating activities      | 540   | 556   |                                      |
| Cash Flows from Investing Activities           | Cash Flows from Investing Activities           |       |       | Cash Flows from Investing Activities |
| Expenditures for property, plant and equipment | Expenditures for property, plant and equipment | (430) | (397) |                                      |
| Other investing activities                     |  | 5     | —     |                                      |
| Net cash used in investing activities          |  |       |       |                                      |
| Net cash used in investing activities          |  |       |       |                                      |

|  |   |       |       |   |  |
|--|---|-------|-------|---|--|
| Net cash used in investing activities                              | Net cash used in investing activities       | (425) | (397) |   |  |
| <b>Cash Flows from Financing Activities</b>                        | <b>Cash Flows from Financing Activities</b> |       |       | <b>Cash Flows from Financing Activities</b> |  |
| Net increase (decrease) in notes payable to affiliates             |   | 21    | (272) |   |  |
| Net increase in notes payable to affiliates                        |   |       |       |   |  |
| Issuance of long-term debt   | Issuance of long-term debt                  | 399   | 300   |   |  |
| Retirement of long-term debt                                       | Retirement of long-term debt                | (313) | —     |   |  |
| Net increase (decrease) in short-term debt                         |   | (76)  | —     |   |  |
| Net decrease in short-term debt                                    |   |       |       |   |  |
| Payment of common stock dividends to parent                        | Payment of common stock dividends to parent | (125) | (234) |   |  |
| Contributions from parent  |   | 54    | 60    |   |  |
| Payment of common stock dividends to parent                        |   |       |       |   |  |
| Payment of common stock dividends to parent                        |   |       |       |   |  |
| Return of capital to parent  |   |       |       |   |  |
| Return of capital to parent  |   |       |       |   |  |
| Return of capital to parent  | Return of capital to parent                 | (84)  | —     |   |  |
| Other financing activities   | Other financing activities                  | (4)   | (1)   |   |  |
| Net cash used in financing activities                              | Net cash used in financing activities       | (128) | (147) |   |  |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>        |   | (13)  | 12    |   |  |
| Cash and Cash Equivalents at Beginning of Period                   |   | 21    | 13    |   |  |
| Cash and Cash Equivalents at End of Period                         |   | \$ 8  | \$ 25 |   |  |
| <b>Net Decrease in Cash, Cash Equivalents, and Restricted Cash</b> |   |       |       |   |  |
| Cash, Cash Equivalents, and Restricted Cash at Beginning of Period |   |       |       |   |  |

|   |  |             |
|---|--|-------------|
| Cash, Cash Equivalents, and Restricted Cash at End of Period            |  |             |
| Supplemental Disclosure of Cash Flow Information                        |  |             |
| Supplemental Disclosure of Cash Flow Information                        |  |             |
| Supplemental Disclosure of Cash Flow Information                        | Supplemental Disclosure of Cash Flow Information |             |
| Significant non-cash transactions:                                      | Significant non-cash transactions:               |             |
| Accrued expenditures for property, plant and equipment at September 30, |  | \$ 45 \$ 46 |
| Significant non-cash transactions:                                      |  |             |
| Significant non-cash transactions:                                      |  |             |
| Accrued expenditures for property, plant and equipment at March 31,     |  |             |
| Accrued expenditures for property, plant and equipment at March 31,     |  |             |
| Accrued expenditures for property, plant and equipment at March 31,     |  |             |

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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CONDENSED BALANCE SHEETS

Kentucky Utilities Company

(Unaudited)  
(Millions of Dollars, shares in thousands)

|  |                           | September 30, 2023 | December 31, 2022 |  | March 31, 2024 | December 31, 2023 |
|--|---------------------------|--------------------|-------------------|--|----------------|-------------------|
| Assets   | Assets                    |                    |                   | Assets   |                |                   |
| Current Assets   | Current Assets            |                    |                   |  |                |                   |
| Current Assets   |                           |                    |                   |  |                |                   |
| Cash and cash equivalents                                | Cash and cash equivalents | \$ 8               | \$ 21             |  |                |                   |
| Accounts receivable (less reserve: 2023, \$2; 2022, \$3) |                           |                    |                   |  |                |                   |
| Accounts receivable (less reserve: 2024, \$3; 2023, \$2) |                           |                    |                   | Accounts receivable (less reserve: 2024, \$3; 2023, \$2) |                |                   |
| Customer   | Customer                  | 150                | 158               |  |                |                   |
| Other  | Other                     | 10                 | 13                |  |                |                   |
| Unbilled revenues (less reserve: 2023, \$0; 2022, \$0)   |                           | 86                 | 114               |  |                |                   |

Unbilled  
revenues  
(less reserve:  
2024, \$0;  
2023, \$0)

#### Fuel, materials and supplies

#### Fuel, materials and supplies

|                                    |                                    |     |     |
|------------------------------------|------------------------------------|-----|-----|
| Fuel,<br>materials<br>and supplies | Fuel,<br>materials<br>and supplies | 176 | 167 |
| Prepayments                        | Prepayments                        | 15  | 14  |
| Regulatory<br>assets               | Regulatory<br>assets               | 7   | 32  |

#### Regulatory assets

#### Regulatory assets

|                         |                         |     |     |
|-------------------------|-------------------------|-----|-----|
| Other current<br>assets | Other current<br>assets | —   | 1   |
| Total Current<br>Assets | Total Current<br>Assets | 452 | 520 |

#### Total Current Assets

#### Total Current Assets

#### Property, Plant and Equipment

#### Property, Plant and Equipment

|  |  |       |       |
|--|--|-------|-------|
| Property, Plant<br>and<br>Equipment                                  | Property, Plant<br>and<br>Equipment                                  |       |       |
| Regulated<br>utility plant   | Regulated<br>utility plant   | 9,794 | 9,515 |
| Less:<br>accumulated<br>depreciation<br>- regulated<br>utility plant | Less:<br>accumulated<br>depreciation<br>- regulated<br>utility plant | 2,404 | 2,201 |
| Regulated<br>utility<br>plant, net                                   | Regulated<br>utility<br>plant, net                                   | 7,390 | 7,314 |
| Construction<br>work in<br>progress                                  | Construction<br>work in<br>progress                                  | 597   | 522   |
| Property,<br>Plant and<br>Equipment,<br>net                          | Property,<br>Plant and<br>Equipment,<br>net                          | 7,987 | 7,836 |
| Other<br>Noncurrent<br>Assets  | Other<br>Noncurrent<br>Assets  |       |       |

#### Other Noncurrent Assets

#### Other Noncurrent Assets

|                      |                      |     |     |
|----------------------|----------------------|-----|-----|
| Regulatory<br>assets | Regulatory<br>assets | 442 | 442 |
| Goodwill             | Goodwill             | 607 | 607 |
| Other<br>intangibles | Other<br>intangibles | 19  | 21  |



|                               |                               |                 |                 |
|-------------------------------|-------------------------------|-----------------|-----------------|
| Other noncurrent assets       | Other noncurrent assets       | 128             | 116             |
| Total Other Noncurrent Assets | Total Other Noncurrent Assets | 1,196           | 1,186           |
| <b>Total Assets</b>           | <b>Total Assets</b>           | <b>\$ 9,635</b> | <b>\$ 9,542</b> |

Total Assets

Total Assets

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED BALANCE SHEETS

### Kentucky Utilities Company

(Unaudited)

(Millions of Dollars, shares in thousands)

|                                    |                                | September 30, 2023 | December 31, 2022 | March 31, 2024 | December 31, 2023 |
|------------------------------------|--------------------------------|--------------------|-------------------|----------------|-------------------|
| Liabilities and Equity             | Liabilities and Equity         |                    |                   |                |                   |
| Current Liabilities                | Current Liabilities            |                    |                   |                |                   |
| Current Liabilities                | Current Liabilities            |                    |                   |                |                   |
| Short-term debt                    | Short-term debt                | \$ 25              | \$ 101            |                |                   |
| Long-term debt due within one year |                                | —                  | 13                |                |                   |
| Notes payable to affiliates        | Notes payable to affiliates    |                    |                   |                |                   |
| Notes payable to affiliates        | Notes payable to affiliates    | 21                 | —                 |                |                   |
| Accounts payable                   | Accounts payable               | 82                 | 123               |                |                   |
| Accounts payable to affiliates     | Accounts payable to affiliates | 70                 | 101               |                |                   |
| Customer deposits                  | Customer deposits              | 35                 | 33                |                |                   |
| Taxes                              | Taxes                          | 35                 | 26                |                |                   |
| Regulatory liabilities             | Regulatory liabilities         | 11                 | 6                 |                |                   |
| Interest                           | Interest                       | 56                 | 19                |                |                   |
| Asset retirement obligations       | Asset retirement obligations   | 16                 | 26                |                |                   |
| Other current liabilities          | Other current liabilities      | 53                 | 51                |                |                   |
| Total Current Liabilities          | Total Current Liabilities      | 404                | 499               |                |                   |

|   |   |       |       |
|---|---|-------|-------|
| Long-term Debt  | Long-term Debt  | 3,004 | 2,907 |
| Long-term Debt  |   |       |       |
| Long-term Debt  |   |       |       |
| Deferred Credits and Other Noncurrent Liabilities       |   |       |       |
| Deferred Credits and Other Noncurrent Liabilities       |   |       |       |
| Deferred Credits and Other Noncurrent Liabilities       | Deferred Credits and Other Noncurrent Liabilities       |       |       |
| Deferred income taxes                                   | Deferred income taxes                                   | 909   | 896   |
| Investment tax credits                                  | Investment tax credits                                  | 84    | 85    |
| Asset retirement obligations                            |   |       |       |
| Asset retirement obligations                            |   |       |       |
| Asset retirement obligations                            | Asset retirement obligations                            | 58    | 56    |
| Regulatory liabilities                                  | Regulatory liabilities                                  | 1,022 | 1,029 |
| Other deferred credits and noncurrent liabilities       | Other deferred credits and noncurrent liabilities       | 31    | 32    |
| Total Deferred Credits and Other Noncurrent Liabilities | Total Deferred Credits and Other Noncurrent Liabilities | 2,104 | 2,098 |
| Commitments and Contingent Liabilities (Notes 6 and 10) | Commitments and Contingent Liabilities (Notes 6 and 10) |       |       |
| Commitments and Contingent Liabilities (Notes 6 and 10) |   |       |       |
| Commitments and Contingent Liabilities (Notes 6 and 10) |   |       |       |
| Stockholder's Equity                                    |   |       |       |
| Stockholder's Equity                                    |   |       |       |
| Common stock - no par value (a)                         | Common stock - no par value (a)                         | 308   | 308   |

|                                     |                                     |                 |                 |
|-------------------------------------|-------------------------------------|-----------------|-----------------|
| Additional paid-in capital          | Additional paid-in capital          | 3,011           | 3,041           |
| Earnings reinvested                 | Earnings reinvested                 | 804             | 689             |
| Earnings reinvested                 |                                     |                 |                 |
| Earnings reinvested                 |                                     |                 |                 |
| Total Equity                        | Total Equity                        | 4,123           | 4,038           |
| <b>Total Liabilities and Equity</b> | <b>Total Liabilities and Equity</b> | <b>\$ 9,635</b> | <b>\$ 9,542</b> |
| <b>Total Liabilities and Equity</b> |                                     |                 |                 |
| <b>Total Liabilities and Equity</b> |                                     |                 |                 |

(a) 80,000 shares authorized; 37,818 shares issued and outstanding at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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## CONDENSED STATEMENTS OF EQUITY

### Kentucky Utilities Company

(Unaudited)

(Millions of Dollars)

|                                     | Common stock shares outstanding (a) | Common stock | Additional paid-in capital | Earnings reinvested | Total   |
|-------------------------------------|-------------------------------------|--------------|----------------------------|---------------------|---------|
| June 30, 2023                       | 37,818                              | \$ 308       | \$ 3,041                   | \$ 736              | \$4,085 |
| Common stock shares outstanding (a) |                                     |              |                            |                     |         |
| Common stock                        |                                     |              |                            |                     |         |
| Additional paid-in capital          |                                     |              |                            |                     |         |
| Earnings reinvested                 |                                     |              |                            |                     |         |
| Total                               |                                     |              |                            |                     |         |
| December 31, 2023                   |                                     |              |                            |                     |         |
| December 31, 2023                   |                                     |              |                            |                     |         |
| December 31, 2023                   |                                     |              |                            |                     |         |
| Net income                          |                                     |              |                            |                     |         |
| Return of capital to parent         |                                     |              |                            |                     |         |
| Dividends declared                  |                                     |              |                            |                     |         |
| March 31, 2024                      |                                     |              |                            |                     |         |
| March 31, 2024                      |                                     |              |                            |                     |         |
| March 31, 2024                      |                                     |              |                            |                     |         |
| December 31, 2022                   |                                     |              |                            |                     |         |
| December 31, 2022                   |                                     |              |                            |                     |         |
| December 31, 2022                   |                                     |              |                            |                     |         |
| Net income                          | Net income                          |              |                            | 101                 | 101     |

|                                   |                             |        |        |          |        |         |
|-----------------------------------|-----------------------------|--------|--------|----------|--------|---------|
| Return of capital to parent       | Return of capital to parent |        |        |          | (30)   | (30)    |
| Dividends declared                |                             |        |        |          | (33)   | (33)    |
| <b>September 30, 2023</b>         |                             | 37,818 | \$ 308 | \$ 3,011 | \$ 804 | \$4,123 |
| <b>December 31, 2022</b>          |                             | 37,818 | \$ 308 | \$ 3,041 | \$ 689 | \$4,038 |
| Net income                        |                             |        |        |          | 240    | 240     |
| Capital contributions from parent |                             |        |        | 54       |        | 54      |
| Return of capital to parent       |                             |        |        |          |        |         |
| Return of capital to parent       | Return of capital to parent |        |        |          | (84)   | (84)    |
| Dividends declared                | Dividends declared          |        |        |          | (125)  | (125)   |
| <b>September 30, 2023</b>         |                             | 37,818 | \$ 308 | \$ 3,011 | \$ 804 | \$4,123 |
| <b>June 30, 2022</b>              |                             | 37,818 | \$ 308 | \$ 3,017 | \$ 677 | \$4,002 |
| Net income                        |                             |        |        |          | 95     | 95      |
| Dividends declared                |                             |        |        |          | (75)   | (75)    |
| <b>September 30, 2022</b>         |                             | 37,818 | \$ 308 | \$ 3,017 | \$ 697 | \$4,022 |
| <b>December 31, 2021</b>          |                             | 37,818 | \$ 308 | \$ 2,957 | \$ 663 | \$3,928 |
| Net income                        |                             |        |        |          | 268    | 268     |
| Capital contributions from parent |                             |        |        | 60       |        | 60      |
| Dividends declared                |                             |        |        |          | (234)  | (234)   |
| <b>September 30, 2022</b>         |                             | 37,818 | \$ 308 | \$ 3,017 | \$ 697 | \$4,022 |
| <b>March 31, 2023</b>             |                             |        |        |          |        |         |
| <b>March 31, 2023</b>             |                             |        |        |          |        |         |
| <b>March 31, 2023</b>             |                             |        |        |          |        |         |

(a) Shares in thousands. All common shares of KU stock are owned by LKE.

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

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### Combined Notes to Condensed Financial Statements (Unaudited)

#### Index to Combined Notes to Condensed Financial Statements

The notes to the condensed financial statements that follow are a combined presentation. The following list indicates the Registrants to which the notes apply:

|   | Registrant |              |      |    |
|---|------------|--------------|------|----|
|   | PPL        | PPL Electric | LG&E | KU |
| 1. Interim Financial Statements                   | x          | x            | x    | x  |
| 2. Segment and Related Information                | x          | x            | x    | x  |
| 3. Revenue from Contracts with Customers          | x          | x            | x    | x  |
| 4. Earnings Per Share                             | x          |              |      |    |
| 5. Income Taxes                                   | x          | x            | x    | x  |
| 6. Utility Rate Regulation                        | x          | x            | x    | x  |
| 7. Financing Activities                           | x          | x            | x    | x  |
| 8. Acquisitions, Development and Divestitures     | x          |              | x    | x  |
| 9. Defined Benefits                               | x          | x            | x    | x  |
| 10. Commitments and Contingencies                 | x          | x            | x    | x  |
| 11. Related Party Transactions                    |            | x            | x    | x  |
| 12. Other Income (Expense) - net                  | x          | x            |      |    |
| 13. Fair Value Measurements                       | x          | x            | x    | x  |
| 14. Derivative Instruments and Hedging Activities | x          | x            | x    | x  |
| 15. Asset Retirement Obligations                  | x          |              | x    | x  |
| 16. Accumulated Other Comprehensive Income (Loss) | x          |              |      |    |
| 17. New Accounting Guidance Pending Adoption      | x          | x            | x    |    |

## 1. Interim Financial Statements

(All Registrants)

Capitalized terms and abbreviations appearing in the unaudited combined notes to condensed financial statements are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted. The specific Registrant to which disclosures are applicable is identified in parenthetical headings in italics above the applicable disclosure or within the applicable disclosure for each Registrant's related activities and disclosures. Within combined disclosures, amounts are disclosed for any Registrant when significant.

The accompanying unaudited condensed financial statements have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all of the information and footnote disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation in accordance with GAAP are reflected in the condensed financial statements. All adjustments are of a normal recurring nature, except as otherwise disclosed. Each Registrant's Balance Sheet at **December 31, 2022** **December 31, 2023** is derived from that Registrant's **2022** **2023** audited Balance Sheet. The financial statements and notes thereto should be read in conjunction with the financial statements and notes contained in each Registrant's **2022** **2023** Form 10-K. The results of operations for the three **and nine** months ended **September 30, 2023** **March 31, 2024** are not necessarily indicative of the results to be expected for the full year ending **December 31, 2023** **December 31, 2024** or other future periods, because results for interim periods can be disproportionately influenced by various factors, developments and seasonal variations.

(PPL)

On May 25, 2022, PPL Rhode Island Holdings acquired 100% of the outstanding shares of common stock of Narragansett Electric from National Grid USA, a subsidiary of National Grid plc (the Acquisition). The results of Narragansett Electric are included in the consolidated results of PPL from the date of the Acquisition. Following the closing of the Acquisition,

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Narragansett Electric provides services doing business under the name Rhode Island Energy (RIE). See Note 8 for additional information.

## 2. Segment and Related Information

(PPL)

PPL is organized into three segments: Kentucky Regulated, Pennsylvania Regulated and Rhode Island Regulated. PPL's segments are determined by geographic location.

Beginning on January 1, 2023, the **The** Kentucky Regulated segment **consists primarily of** **includes** the regulated electricity generation, transmission and distribution operations conducted by LG&E and KU, as well as LG&E's regulated distribution and sale of natural gas. Prior to January 1, 2023, the Kentucky Regulated segment also included the financing activities of LKE. The financing activity of LKE is presented in "Corporate and Other" beginning on January 1, 2023. Prior periods have been adjusted to reflect this change. As a result, PPL's segments consist of its regulated operations in Kentucky, Pennsylvania and Rhode Island and exclude any incremental financing activities of holding companies, which Management believes is a more meaningful presentation as it provides information on the core regulated operations of PPL.

The Pennsylvania Regulated segment includes the regulated electricity transmission and distribution operations of PPL Electric.

The Rhode Island Regulated segment includes the regulated electricity transmission and distribution and natural gas distribution operations of RIE, which were acquired on May 25, 2022. RIE.

"Corporate and Other" primarily includes corporate level financing costs, certain unallocated costs and certain non-recoverable costs incurred in conjunction with the acquisition of Narragansett Electric and the financial results of Safari Energy, prior to its sale on November 1, 2022. Electric. "Corporate and Other" is presented to reconcile segment information to PPL's consolidated results.

Income Statement data for the segments and reconciliation to PPL's consolidated results for the periods ended September 30 March 31 are as follows:

|  |  | Three Months |          | Nine Months |          |
|--|--|--------------|----------|-------------|----------|
|  |  | 2023         | 2022     | 2023        | 2022     |
| Three Months                               |  |              |          |             |          |
|  |  | 2024         |          | 2023        |          |
| Operating Revenues from external customers |  |              |          |             |          |
| Operating Revenues from external customers |  |              |          |             |          |
| Operating Revenues from external customers | Operating Revenues from external customers |              |          |             |          |
| Kentucky Regulated                         | Kentucky Regulated                         | \$ 893       | \$ 977   | \$ 2,631    | \$ 2,864 |
| Pennsylvania Regulated                     | Pennsylvania Regulated                     | 737          | 766      | 2,295       | 2,217    |
| Rhode Island Regulated                     | Rhode Island Regulated                     | 413          | 384      | 1,355       | 512      |
| Corporate and Other                        | Corporate and Other                        | —            | 7        | —           | 19       |
| Total                                      | Total                                      | \$ 2,043     | \$ 2,134 | \$ 6,281    | \$ 5,612 |
| Net Income (Loss)                          | Net Income (Loss)                          |              |          |             |          |
| Net Income (Loss)                          | Net Income (Loss)                          |              |          |             |          |
| Kentucky Regulated                         |  |              |          |             |          |
| Kentucky Regulated                         |  |              |          |             |          |
| Kentucky Regulated                         | Kentucky Regulated                         | \$ 175       | \$ 164   | \$ 432      | \$ 465   |
| Pennsylvania Regulated                     | Pennsylvania Regulated                     | 136          | 143      | 384         | 410      |
| Rhode Island Regulated                     | Rhode Island Regulated                     | 6            | (26)     | 70          | (55)     |
| Corporate and Other                        | Corporate and Other                        | (87)         | (107)    | (259)       | (254)    |
| Total                                      | Total                                      | \$ 230       | \$ 174   | \$ 627      | \$ 566   |

The following provides Balance Sheet data for the segments and reconciliation to PPL's consolidated Balance Sheets as of:

|                        |                        | September 30, 2023 | December 31, 2022 |
|------------------------|------------------------|--------------------|-------------------|
|                        |                        | March 31, 2024     | March 31, 2024    |
|                        |                        | December 31, 2023  |                   |
| Assets                 | Assets                 | Assets             |                   |
| Kentucky Regulated     | Kentucky Regulated     | \$ 16,867          | \$ 16,904         |
| Pennsylvania Regulated | Pennsylvania Regulated | 14,069             | 13,565            |

|               |               |           |           |
|---------------|---------------|-----------|-----------|
| Rhode Island  | Rhode Island  |           |           |
| Regulated     | Regulated     | 6,393     | 6,081     |
| Corporate     | Corporate     |           |           |
| and Other (a) | and Other (a) | 1,300     | 1,287     |
| Total         | Total         | \$ 38,629 | \$ 37,837 |

(a) Primarily consists of unallocated items, including cash, PP&E, goodwill and the elimination of inter-segment transactions.

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(PPL Electric, LG&E and KU)

PPL Electric has two operating segments, distribution and transmission, which are aggregated into a single reportable segment. Each of LG&E and KU is operate as a single operating and reportable segment.

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3. Revenue from Contracts with Customers

(All Registrants)

See Note 3 in the Registrants' 2022 2023 Form 10-K for a discussion of the principal activities from which PPL Electric, LG&E and KU and PPL's Pennsylvania Regulated, Rhode Island Regulated, and Kentucky Regulated segments generate their revenues. The following tables reconcile "Operating Revenues" included in each Registrant's Statement of Income with revenues generated from contracts with customers for the periods ended September 30, March 31.

|  |  | 2023 Three Months |          |        |              |
|--|--|-------------------|----------|--------|--------------|
|  |  | PPL               |          |        |              |
|  |  | PPL               | Electric | LG&E   | KU           |
|  |  | 2024 Three Months |          |        |              |
|  |  | 2024 Three Months |          |        |              |
|  |  | 2024 Three Months |          |        |              |
|  |  | PPL               | PPL      |        | PPL Electric |
|  |  |                   |          |        | LG&E         |
|  |  |                   |          |        | KU           |
| Operating                              | Operating                              |                   |          |        |              |
| Revenues (a)                           | Revenues (a)                           | \$2,043           | \$ 737   | \$ 398 | \$ 505       |
| Revenues                               | Revenues                               |                   |          |        |              |
| derived from:                          | derived from:                          |                   |          |        |              |
|  | Alternative revenue programs (b)       |                   |          |        |              |
|  | Alternative revenue programs (b)       |                   |          |        |              |
| Alternative revenue programs (b)       | Alternative revenue programs (b)       |                   |          |        |              |
| (b)                                    | (b)                                    | 1                 | (2)      | —      | —            |
| Other (c)                              | Other (c)                              | (6)               | (4)      | (1)    | (2)          |
| Revenues from Contracts with Customers | Revenues from Contracts with Customers | \$2,038           | \$ 731   | \$ 397 | \$ 503       |
|  |  | 2022 Three Months |          |        |              |
|  |  | PPL               |          |        |              |
|  |  | PPL               | Electric | LG&E   | KU           |
|  |  | 2023 Three Months |          |        |              |
|  |  | 2023 Three Months |          |        |              |
|  |  | 2023 Three Months |          |        |              |

|  | PPL                                    |         |          |          |          | PPL | PPL Electric | LG&E | KU |
|--|--|---------|----------|----------|----------|-----|--------------|------|----|
| Operating                              | Operating                              |         |          |          |          |     |              |      |    |
| Revenues (a)                           | Revenues (a)                           | \$2,134 | \$ 766   | \$ 436   | \$ 553   |     |              |      |    |
| Revenues derived from:                 | Revenues derived from:                 |         |          |          |          |     |              |      |    |
| Alternative revenue programs (b)       | Alternative revenue programs (b)       | 51      | 3        | 3        | 1        |     |              |      |    |
| Other (c)                              | Other (c)                              | (8)     | (4)      | (1)      | (2)      |     |              |      |    |
| Revenues from Contracts with Customers |  | \$2,177 | \$ 765   | \$ 438   | \$ 552   |     |              |      |    |
|  | 2023 Nine Months                       |         |          |          |          |     |              |      |    |
|  | PPL                                    |         |          |          |          |     |              |      |    |
|  | PPL Electric LG&E KU                   |         |          |          |          |     |              |      |    |
| Operating Revenues (a)                 |  | \$6,281 | \$ 2,295 | \$ 1,227 | \$ 1,439 |     |              |      |    |
| Revenues derived from:                 |  |         |          |          |          |     |              |      |    |
| Alternative revenue programs (b)       |  |         |          |          |          |     |              |      |    |
| Alternative revenue programs (b)       | Alternative revenue programs (b)       | 42      | 5        | 1        | (3)      |     |              |      |    |
| Other (c)                              | Other (c)                              | (17)    | (11)     | (3)      | (3)      |     |              |      |    |
| Revenues from Contracts with Customers | Revenues from Contracts with Customers | \$6,306 | \$ 2,289 | \$ 1,225 | \$ 1,433 |     |              |      |    |
|  | 2022 Nine Months                       |         |          |          |          |     |              |      |    |
|  | PPL                                    |         |          |          |          |     |              |      |    |
|  | PPL Electric LG&E KU                   |         |          |          |          |     |              |      |    |
| Operating Revenues (a)                 |  | \$5,612 | \$ 2,217 | \$ 1,339 | \$ 1,569 |     |              |      |    |
| Revenues derived from:                 |  |         |          |          |          |     |              |      |    |
| Alternative revenue programs (b)       | Alternative revenue programs (b)       | (16)    | (56)     | 12       | 5        |     |              |      |    |
| Other (c)                              | Other (c)                              | (21)    | (11)     | (5)      | (3)      |     |              |      |    |
| Revenues from Contracts with Customers |  | \$5,575 | \$ 2,150 | \$ 1,346 | \$ 1,571 |     |              |      |    |

- (a) PPL includes \$413 million and \$1.4 billion for the three and nine months ended September 30, 2023 and \$384 million and \$512 \$549 million for the three and nine months ended September 30, 2022 March 31, 2024 and \$565 million for the three months ended March 31, 2023 of revenues from external customers reported by the Rhode Island Regulated segment. PPL Electric represents revenues from external customers reported by the Pennsylvania Regulated segment and LG&E and KU, net of intercompany power sales and transmission revenues, represent revenues from external customers reported by the Kentucky Regulated segment. See Note 2 for additional information.
- (b) This line item shows the over/under collection of rate mechanisms deemed alternative revenue programs with over-collections of revenue shown as positive amounts in the table above and under-collections shown as negative amounts. For PPL Electric, the nine months ended September 30, 2022, included \$74 million related to the amortization of the regulatory liability recorded in 2021 for a reduction in the transmission formula rate return on equity that was reflected in rates in 2022.
- (c) Represents additional revenues outside the scope of revenues from contracts with customers, such as lease and other miscellaneous revenues.

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The following tables show revenues from contracts with customers disaggregated by customer class for the periods ended September 30, March 31.

| Three Months |            |            |           |                          |                       |              |  | Revenues from            |
|--------------|------------|------------|-----------|--------------------------|-----------------------|--------------|--|--------------------------|
| Residential  | Commercial | Industrial | Other (a) | Wholesale - municipality | Wholesale - other (b) | Transmission |  | Contracts with Customers |





|                |                |          |          |        |        |       |       |        |          |   |   |
|----------------|----------------|----------|----------|--------|--------|-------|-------|--------|----------|---|---|
| Corp and Other | Corp and Other |          |          |        |        |       |       |        |          |   |   |
|                |                | —        | —        | —      | —      | —     | —     | —      | —        | — | — |
| Total PPL      | Total PPL      | \$ 2,854 | \$ 1,299 | \$ 547 | \$ 831 | \$ 17 | \$ 37 | \$ 721 | \$ 6,306 |   |   |
| 2022           |                |          |          |        |        |       |       |        |          |   |   |
| 2023           |                |          |          |        |        |       |       |        |          |   |   |
| 2023           |                |          |          |        |        |       |       |        |          |   |   |
| 2023           |                |          |          |        |        |       |       |        |          |   |   |
| PA Regulated   |                |          |          |        |        |       |       |        |          |   |   |
| PA Regulated   |                |          |          |        |        |       |       |        |          |   |   |
| PA Regulated   | PA Regulated   | \$ 1,189 | \$ 360   | \$ 67  | \$ 39  | \$ —  | \$ —  | \$ 495 | \$ 2,150 |   |   |
| KY Regulated   | KY Regulated   | 1,218    | 805      | 497    | 264    | 22    | 66    | —      | 2,872    |   |   |
| RI Regulated   | RI Regulated   | 131      | 46       | 4      | 298    | —     | —     | 55     | 534      |   |   |
| Corp and Other | Corp and Other | —        | —        | —      | 19     | —     | —     | —      | 19       |   |   |
| Total PPL      | Total PPL      | \$ 2,538 | \$ 1,211 | \$ 568 | \$ 620 | \$ 22 | \$ 66 | \$ 550 | \$ 5,575 |   |   |

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| Nine Months  |            |            |           |                          |                       |              |           |        |                              |  |
|--------------|------------|------------|-----------|--------------------------|-----------------------|--------------|-----------|--------|------------------------------|--|
|              |            |            |           |                          |                       |              |           |        | Revenues from Contracts with |  |
| Residential  | Commercial | Industrial | Other (a) | Wholesale - municipality | Wholesale - other (b) | Transmission | Customers |        |                              |  |
| Three Months |            |            |           |                          |                       |              |           |        |                              |  |
|              |            |            |           |                          |                       |              |           |        | Revenues from Contracts with |  |
| Residential  | Commercial | Industrial | Other (a) | Wholesale - municipality | Wholesale - other (b) | Transmission | Customers |        |                              |  |
| PPL          | PPL        |            |           |                          |                       |              |           |        |                              |  |
| Electric     | Electric   |            |           |                          |                       |              |           |        |                              |  |
| 2024         |            |            |           |                          |                       |              |           |        |                              |  |
| 2024         |            |            |           |                          |                       |              |           |        |                              |  |
| 2024         |            |            |           |                          |                       |              |           |        |                              |  |
| 2023         | 2023       | \$ 1,266   | \$ 346    | \$ 44                    | \$ 40                 | \$ —         | \$ —      | \$ 593 | \$ 2,289                     |  |
| 2022         |            | \$ 1,189   | \$ 360    | \$ 67                    | \$ 39                 | \$ —         | \$ —      | \$ 495 | \$ 2,150                     |  |
| LG&E         | LG&E       |            |           |                          |                       |              |           |        |                              |  |
| LG&E         |            |            |           |                          |                       |              |           |        |                              |  |
| LG&E         |            |            |           |                          |                       |              |           |        |                              |  |
| 2024         |            |            |           |                          |                       |              |           |        |                              |  |
| 2024         |            |            |           |                          |                       |              |           |        |                              |  |
| 2024         |            |            |           |                          |                       |              |           |        |                              |  |
| 2023         | 2023       | \$ 574     | \$ 398    | \$ 145                   | \$ 75                 | \$ —         | \$ 33     | \$ —   | \$ 1,225                     |  |
| 2022         |            | \$ 615     | \$ 410    | \$ 147                   | \$ 125                | \$ —         | \$ 49     | \$ —   | \$ 1,346                     |  |
| KU           | KU         |            |           |                          |                       |              |           |        |                              |  |
| KU           |            |            |           |                          |                       |              |           |        |                              |  |
| KU           |            |            |           |                          |                       |              |           |        |                              |  |

|      |      |    |     |    |     |    |     |       |    |    |    |    |    |   |    |       |
|------|------|----|-----|----|-----|----|-----|-------|----|----|----|----|----|---|----|-------|
| 2024 |      |    |     |    |     |    |     |       |    |    |    |    |    |   |    |       |
| 2024 |      |    |     |    |     |    |     |       |    |    |    |    |    |   |    |       |
| 2024 |      |    |     |    |     |    |     |       |    |    |    |    |    |   |    |       |
| 2023 | 2023 | \$ | 534 | \$ | 373 | \$ | 341 | \$130 | \$ | 17 | \$ | 38 | \$ | — | \$ | 1,433 |
| 2022 |      | \$ | 603 | \$ | 395 | \$ | 350 | \$140 | \$ | 22 | \$ | 61 | \$ | — | \$ | 1,571 |

As discussed in Note 2, PPL segments its business by geographic location. Revenues from external customers for each segment/geographic location are reconciled to revenues from contracts with customers in the footnotes to the tables above.

The following table shows the accounts receivable and unbilled revenues balances that were impaired for the periods ended September 30, March 31.

(a) 2024 includes amounts impaired related to PPL Electric's billing issues. See Note 6 for additional information.

|   | PPL   | PPL Electric | LG&E | KU   |
|---|-------|--------------|------|------|
| Contract liabilities at December 31, 2022   | \$ 34 | \$ 23        | \$ 5 | \$ 6 |
| Contract liabilities at September 30, 2023  | 33    | 21           | 5    | 6    |
| Revenue recognized during the nine months ended September 30, 2023 that was included in the contract liability balance at December 31, 2022 | 21    | 10           | 5    | 6    |
| Contract liabilities at December 31, 2021   | \$ 42 | \$ 25        | \$ 6 | \$ 6 |
| Contract liabilities at September 30, 2022  | 35    | 18           | 6    | 6    |
| Revenue recognized during the nine months ended September 30, 2022 that was included in the contract liability balance at December 31, 2021 | 25    | 12           | 6    | 6    |

Contract liabilities result from recording contractual billings in advance for customer attachments to the Registrants' infrastructure and payments received in excess of revenues earned to date. Advanced billings for customer attachments are generally recognized as revenue ratably over the quarterly billing period. Payments received in excess of revenues earned to date are recognized as revenue as services are delivered in subsequent periods.

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#### 4. Earnings Per Share

(PPL)

Basic EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding, increased by the number of incremental shares that would be outstanding if potentially dilutive share-based payment awards were converted to common shares as calculated using the Two-Class Method or Treasury Stock Method. The If-Converted Method will be applied to incremental non-participating securities that have a dilutive impact are detailed in the Exchangeable Senior Notes due 2028 issued in February 2023. See Note 7 for additional information. table below.

Reconciliations of the amounts of income and shares of PPL common stock (in thousands) for the periods ended September 30 March 31 used in the EPS calculation are:

|                                |                 | Three Months       |         | Nine Months |         | Three Months |     |    |     | 2024 |  | 2023 |
|--------------------------------|-----------------|--------------------|---------|-------------|---------|--------------|-----|----|-----|------|--|------|
|                                |                 | 2023               | 2022    | 2023        | 2022    |              |     |    |     |      |  |      |
|                                |                 |                    |         |             |         |              |     |    |     |      |  |      |
| Income                         | Income          |                    |         |             |         |              |     |    |     |      |  |      |
| (Numerator)                    | (Numerator)     | Income (Numerator) |         |             |         |              |     |    |     |      |  |      |
| Net income                     | Net income      |                    |         |             |         |              |     |    |     |      |  |      |
| attributable to                | attributable to |                    |         |             |         |              |     |    |     |      |  |      |
| PPL                            | PPL             | \$                 | 230     | \$          | 174     | \$           | 627 | \$ | 566 |      |  |      |
| Net income attributable to PPL |                 |                    |         |             |         |              |     |    |     |      |  |      |
| Net income attributable to PPL |                 |                    |         |             |         |              |     |    |     |      |  |      |
| Less amounts                   | Less amounts    |                    |         |             |         |              |     |    |     |      |  |      |
| allocated to                   | allocated to    |                    |         |             |         |              |     |    |     |      |  |      |
| participating                  | participating   |                    |         |             |         |              |     |    |     |      |  |      |
| securities                     | securities      | —                  | —       | 1           | —       |              |     |    |     |      |  |      |
| Net income                     | Net income      |                    |         |             |         |              |     |    |     |      |  |      |
| available to                   | available to    |                    |         |             |         |              |     |    |     |      |  |      |
| PPL common                     | PPL common      |                    |         |             |         |              |     |    |     |      |  |      |
| shareowners -                  | shareowners -   |                    |         |             |         |              |     |    |     |      |  |      |
| Basic and                      | Basic and       |                    |         |             |         |              |     |    |     |      |  |      |
| Diluted                        | Diluted         | \$                 | 230     | \$          | 174     | \$           | 626 | \$ | 566 |      |  |      |
| Shares of                      | Shares of       |                    |         |             |         |              |     |    |     |      |  |      |
| Common                         | Common          |                    |         |             |         |              |     |    |     |      |  |      |
| Stock                          | Stock           |                    |         |             |         |              |     |    |     |      |  |      |
| (Denominator)                  | (Denominator)   |                    |         |             |         |              |     |    |     |      |  |      |
| Shares of Common Stock         |                 |                    |         |             |         |              |     |    |     |      |  |      |
| (Denominator)                  |                 |                    |         |             |         |              |     |    |     |      |  |      |
| Shares of Common Stock         |                 |                    |         |             |         |              |     |    |     |      |  |      |
| (Denominator)                  |                 |                    |         |             |         |              |     |    |     |      |  |      |
| Weighted-                      | Weighted-       |                    |         |             |         |              |     |    |     |      |  |      |
| average                        | average         |                    |         |             |         |              |     |    |     |      |  |      |
| shares - Basic                 | shares - Basic  |                    |         |             |         |              |     |    |     |      |  |      |
| EPS                            | EPS             | 737,107            | 736,247 | 737,005     | 735,912 |              |     |    |     |      |  |      |
| Add: Dilutive share-based      |                 |                    |         |             |         |              |     |    |     |      |  |      |
| payment awards                 |                 | 1,077              | 827     | 1,016       | 767     |              |     |    |     |      |  |      |
| Add: Dilutive share-based      |                 |                    |         |             |         |              |     |    |     |      |  |      |
| payment awards (a)             |                 |                    |         |             |         |              |     |    |     |      |  |      |
| Add: Dilutive share-based      |                 |                    |         |             |         |              |     |    |     |      |  |      |
| payment awards (a)             |                 |                    |         |             |         |              |     |    |     |      |  |      |
| Add: Dilutive share-based      |                 |                    |         |             |         |              |     |    |     |      |  |      |
| payment awards (a)             |                 |                    |         |             |         |              |     |    |     |      |  |      |

Weighted-average shares -  
Diluted EPS

Weighted-average shares -  
Diluted EPS

|                           |                           |         |         |         |         |
|---------------------------|---------------------------|---------|---------|---------|---------|
| Weighted-average shares - | Weighted-average shares - |         |         |         |         |
| Diluted EPS               | Diluted EPS               | 738,184 | 737,074 | 738,021 | 736,679 |
| Basic and Diluted EPS     | Basic and Diluted EPS     |         |         |         |         |

Basic and Diluted EPS

Basic and Diluted EPS

Net Income available to PPL common shareowners

Net Income available to PPL common shareowners

|  |  |         |         |         |         |
|--|--|---------|---------|---------|---------|
| Net Income available to PPL common shareowners | Net Income available to PPL common shareowners | \$ 0.31 | \$ 0.24 | \$ 0.85 | \$ 0.77 |
|--|--|---------|---------|---------|---------|

(a) The Treasury Stock Method was applied to non-participating share-based payment awards.

For the periods ended September 30, PPL issued shares of common stock related to stock-based compensation plans as follows (in thousands):

|                                | Three Months |      | Nine Months |      |
|--------------------------------|--------------|------|-------------|------|
|                                | 2023         | 2022 | 2023        | 2022 |
| Stock-based compensation plans | —            | —    | —           | 124  |

For the periods ended September 30, March 31, the following shares (in thousands) were excluded from the computations of diluted EPS because the effect would have been antidilutive.

|                                 | Three Months |      | Nine Months |      |
|---------------------------------|--------------|------|-------------|------|
|                                 | 2023         | 2022 | 2023        | 2022 |
| Stock-based compensation awards | 179          | 17   | 324         | 79   |

|                                 | Three Months |      |
|---------------------------------|--------------|------|
|                                 | 2024         | 2023 |
| Stock-based compensation awards | —            | 534  |

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5. Income Taxes

Reconciliations of income tax expense (benefit) for the periods ended September 30 March 31 are as follows.

(PPL)

| (PPL) | Three Months |      | Nine Months |      |
|-------|--------------|------|-------------|------|
|       | 2023         | 2022 | 2023        | 2022 |

| (PPL) | Three Months |  | Three Months |      |
|-------|--------------|--|--------------|------|
|       | 2024         |  | 2024         | 2023 |

|  |  |                             |       |        |        |
|--|--|-----------------------------|-------|--------|--------|
| Federal income tax on Income Before Income Taxes at statutory tax rate - 21%       | Federal income tax on Income Before Income Taxes at statutory tax rate - 21%       | \$ 60                       | \$ 45 | \$ 167 | \$ 150 |
| Increase (decrease) due to:  | Increase (decrease) due to:  | Increase (decrease) due to: |       |        |        |
| State income taxes, net of federal income tax benefit                              | State income taxes, net of federal income tax benefit                              | 16                          | 8     | 49     | 56     |
| Valuation allowance adjustments  | Valuation allowance adjustments  | 1                           | (1)   | 6      | 9      |
| Income tax credits (a)   | Income tax credits (a)   | (9)                         | (1)   | (11)   | (3)    |
| Amortization of investment tax credit including deferred taxes on basis adjustment | Amortization of investment tax credit including deferred taxes on basis adjustment | (1)                         | —     | (2)    | (7)    |
| Depreciation and other items not normalized  | Depreciation and other items not normalized  | (2)                         | —     | (9)    | (8)    |
| Amortization of excess deferred federal and state income taxes                     | Amortization of excess deferred federal and state income taxes                     | (13)                        | (7)   | (33)   | (47)   |
| Federal and state income tax return adjustments                                    | Federal and state income tax return adjustments                                    | 3                           | —     | (2)    | (1)    |
| State income tax rate change (b)   | State income tax rate change (b)   | 1                           | (5)   | —      | (5)    |
| Utility rate-making tax adjustments (a)  | Utility rate-making tax adjustments (a)  |                             |       |        |        |
| Utility rate-making tax adjustments (a)  | Utility rate-making tax adjustments (a)  |                             |       |        |        |
| Utility rate-making tax adjustments (a)  | Utility rate-making tax adjustments (a)  |                             |       |        |        |
| Amortization of excess deferred federal and state income taxes                     | Amortization of excess deferred federal and state income taxes                     |                             |       |        |        |
| Other  | Other  |                             |       |        |        |
| Other  | Other  |                             |       |        |        |
| Other  | Other  | 2                           | 2     | 5      | 3      |
| Total increase (decrease)  | Total increase (decrease)  | (2)                         | (4)   | 3      | (3)    |
| Total income tax expense (benefit)   | Total income tax expense (benefit)   | \$ 58                       | \$ 41 | \$ 170 | \$ 147 |

- (a) The three Primarily consists of tax impacts of AFUDC equity and nine month periods ended September 30, 2023 primarily include a related depreciation across all PPL utilities and flow through tax impacts of Pennsylvania utility ratemaking. Flow through occurs when the regulator excludes deferred tax expense or benefit from renewable tax credits that will be acquired at a discount.
- (b) The three and nine months ended September 30, 2022 include a deferred tax benefit of \$5 million, due to the corporate net recoverable costs when determining income tax rate reduction. See "Pennsylvania State Tax Reform" below for additional information.

|  |  |              |       |             |        |
|--|--|--------------|-------|-------------|--------|
| (PPL Electric)   |  | Three Months |       | Nine Months |        |
|  |  | 2023         | 2022  | 2023        | 2022   |
| Federal income tax on Income Before Income Taxes at statutory tax rate - 21% |  | \$ 38        | \$ 38 | \$ 107      | \$ 114 |
| Increase (decrease) due to:  |  |              |       |             |        |
| State income taxes, net of federal income tax benefit                        |  | 13           | 14    | 36          | 43     |
| Depreciation and other items not normalized                                  |  | (1)          | (1)   | (8)         | (7)    |

|  |       |       |        |        |
|--|-------|-------|--------|--------|
| Amortization of excess deferred federal and state income taxes | (4)   | (4)   | (8)    | (9)    |
| State income tax rate change (a)                               | —     | (9)   | (1)    | (9)    |
| Other  | (3)   | (1)   | —      | (1)    |
| Total increase (decrease)                                      | 5     | (1)   | 19     | 17     |
| Total income tax expense (benefit)                             | \$ 43 | \$ 37 | \$ 126 | \$ 131 |

(a) The three and nine months ended September 30, 2022 include a deferred tax benefit of \$9 million, due to the corporate net income tax rate reduction. See "Pennsylvania State Tax Reform" below for additional information.

| (LG&E)   | Three Months |       | Nine Months |       |
|--|--------------|-------|-------------|-------|
|  | 2023         | 2022  | 2023        | 2022  |
|  | \$           | \$    | \$          | \$    |
| Federal income tax on Income Before Income Taxes at statutory tax rate - 21% | 21           | 21    | 56          | 57    |
| Increase (decrease) due to:  |              |       |             |       |
| State income taxes, net of federal income tax benefit                        | 4            | 4     | 10          | 11    |
| Amortization of excess deferred federal and state income taxes               | (3)          | (3)   | (9)         | (17)  |
| Other  | (1)          | (1)   | (2)         | (2)   |
| Total increase (decrease)  | —            | —     | (1)         | (8)   |
| Total income tax expense (benefit)   | \$ 21        | \$ 21 | \$ 55       | \$ 49 |

expense.

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| (KU)                                    |                        | Three Months |        | Nine Months |        |
|---|------------------------|--------------|--------|-------------|--------|
|   |                        | Months       | Months | Months      | Months |
|   |                        | 2023         | 2022   | 2023        | 2022   |
| (PPL Electric)                          |                        |              |        |             |        |
| (PPL Electric)                          |                        |              |        |             |        |
| (PPL Electric)                          |                        |              |        |             |        |
|   |                        | Three Months |        |             |        |
|   |                        | 2024         |        |             |        |
|   |                        |              |        |             |        |
| Federal income tax on                   | Federal income tax on  |              |        |             |        |
| Income Before Income                    | Income Before Income   |              |        |             |        |
| Taxes at statutory tax                  | Taxes at statutory tax |              |        |             |        |
| rate - 21%                              | rate - 21%             | \$ 26        | \$ 25  | \$ 63       | \$ 70  |
| Increase (decrease)                     | Increase (decrease)    |              |        |             |        |
| due to:                                 | due to:                |              |        |             |        |
| State income                            | State income           |              |        |             |        |
| taxes, net of                           | taxes, net of          |              |        |             |        |
| federal income                          | federal income         |              |        |             |        |
| tax benefit                             | tax benefit            | 5            | 5      | 12          | 13     |
| Utility rate-making tax adjustments (a) |                        |              |        |             |        |
| Utility rate-making tax adjustments (a) |                        |              |        |             |        |
| Utility rate-making tax adjustments (a) |                        |              |        |             |        |
| Amortization of                         | Amortization of        |              |        |             |        |
| excess                                  | excess                 |              |        |             |        |
| deferred federal                        | deferred federal       |              |        |             |        |
| and state                               | and state              |              |        |             |        |
| income taxes                            | income taxes           | (5)          | (4)    | (13)        | (16)   |
| Other                                   | Other                  | (2)          | (2)    | (3)         | (4)    |
| Other                                   |                        |              |        |             |        |
| Other                                   |                        |              |        |             |        |

| Total<br>increase<br>(decrease)       | Total<br>increase<br>(decrease)       | (2)  | (1)  | (4)  | (7)  |
|---------------------------------------|---------------------------------------|------|------|------|------|
| Total income tax<br>expense (benefit) | Total income tax<br>expense (benefit) | \$24 | \$24 | \$59 | \$63 |

(a) Primarily consists of tax impacts of AFUDC equity and related depreciation and flow through tax impacts of Pennsylvania utility ratemaking. Flow through occurs when the regulator excludes deferred tax expense or benefit from recoverable costs when determining income tax expense.

#### (LG&E)

|  | Three Months |       |
|--|--------------|-------|
|  | 2024         | 2023  |
| Federal income tax on Income Before Income Taxes at statutory tax rate - 21% | \$ 25        | \$ 23 |
| Increase (decrease) due to:  |              |       |
| State income taxes, net of federal income tax benefit                        | 4            | 4     |
| Amortization of excess deferred federal and state income taxes               | (3)          | (3)   |
| Other  | (2)          | (1)   |
| Total increase (decrease)  | (1)          | —     |
| Total income tax expense (benefit)   | \$ 24        | \$ 23 |

#### (KU)

|  | Three Months |       |
|--|--------------|-------|
|  | 2024         | 2023  |
| Federal income tax on Income Before Income Taxes at statutory tax rate - 21% | \$ 28        | \$ 23 |
| Increase (decrease) due to:  |              |       |
| State income taxes, net of federal income tax benefit                        | 5            | 4     |
| Amortization of excess deferred federal and state income taxes               | (5)          | (4)   |
| Other  | (1)          | (1)   |
| Total increase (decrease)  | (1)          | (1)   |
| Total income tax expense (benefit)   | \$ 27        | \$ 22 |

#### Other

##### Narragansett Electric Acquisition (PPL)

The acquisition of Narragansett Electric on May 25, 2022 was deemed an asset acquisition for federal and state income tax purposes, as a result of PPL and National Grid making a tax election under Internal Revenue Code (IRC) §338(h)(10). Accordingly, the tax bases of substantially all of the assets acquired were increased to fair market value, which equaled net book value, thereby eliminating the related deferred tax assets and liabilities. This election resulted in tax goodwill that will be amortized for tax purposes over 15 years.

##### Pennsylvania State Tax Reform (PPL and PPL Electric)

On July 8, 2022, the Governor of Pennsylvania signed into law Pennsylvania House Bill 1342 (H.B. 1342). Among other changes to the state tax code, the bill reduces the corporate net income tax rate from 9.99% to 8.99% beginning January 1, 2023, and further reduces the rate annually by half a percentage point until the rate reaches 4.99% in 2031.

##### Inflation Reduction Act (All Registrants)

On August 16, 2022, the Inflation Reduction Act (IRA) was signed into law. Among other things, the IRA enacted a new 15% corporate "book minimum tax," which is based on adjusted GAAP pre-tax income and is only applicable to corporations whose pre-tax income exceeds a certain threshold. PPL does not expect to be subject to the book minimum tax in 2023. The Registrants will continue to assess the impacts of the IRA on their financial statements and will monitor guidance issued by the U.S. Treasury in the future. In addition, the IRA enacted numerous new tax credits, largely associated with renewable energy.

##### IRS Revenue Procedure 2023-15 (PPL and LG&E)

On April 14, 2023, the IRS issued Revenue Procedure 2023-15, which provides a safe harbor method of accounting that taxpayers may use to determine whether expenses to repair, maintain, replace, or improve natural gas transmission and distribution property must be capitalized for tax purposes. PPL and LG&E are currently reviewing the revenue procedure to determine what impact the guidance may have on their financial statements.



On April 25, 2024, the IRS released the final Internal Revenue Code Section 6418 regulations related to the transfer of certain credits under the Inflation Reduction Act. The regulations were published in the Federal Register on April 30, 2024, and will be effective on July 1, 2024. PPL is currently reviewing the final regulations to determine what impact the guidance may have on their financial statements.

## 6. Utility Rate Regulation

The following table provides information about the regulatory assets and liabilities of cost-based rate-regulated utility operations.

|                               |                               | PPL       |          | PPL Electric |          | LG&E      |          | KU        |          |       |          |          |          |    |   |
|-------------------------------|-------------------------------|-----------|----------|--------------|----------|-----------|----------|-----------|----------|-------|----------|----------|----------|----|---|
|                               |                               | September | December | September    | December | September | December | September | December |       |          |          |          |    |   |
|                               |                               | 30,       | 31,      | 30,          | 31,      | 30,       | 31,      | 30,       | 31,      |       |          |          |          |    |   |
|                               |                               | 2023      | 2022     | 2023         | 2022     | 2023      | 2022     | 2023      | 2022     |       |          |          |          |    |   |
| PPL                           |                               | PPL       |          |              |          |           |          |           |          |       |          |          |          |    |   |
|                               |                               | December  |          | December     |          | March     |          | December  |          | March |          | December |          |    |   |
| March 31, 2024                |                               | March     | 31, 2023 | March        | 31, 2024 | March     | 31, 2023 | March     | 31, 2023 | March | 31, 2024 | March    | 31, 2023 |    |   |
| Current Regulatory Assets:    | Current Regulatory Assets:    |           |          |              |          |           |          |           |          |       |          |          |          |    |   |
| Gas supply clause             |                               | \$        | —        | \$           | 41       | \$        | —        | \$        | —        | \$    | 13       | \$       | —        | \$ | — |
| Rate adjustment mechanisms    |                               |           |          |              |          |           |          |           |          |       |          |          |          |    |   |
| Rate adjustment mechanisms    |                               |           |          |              |          |           |          |           |          |       |          |          |          |    |   |
| Rate adjustment mechanisms    | Rate adjustment mechanisms    | 210       | 96       | —            | —        | —         | —        | —         | —        | —     | —        | —        | —        | —  | — |
| Renewable energy certificates | Renewable energy certificates | 13        | 14       | —            | —        | —         | —        | —         | —        | —     | —        | —        | —        | —  | — |
| Renewable energy certificates |                               |           |          |              |          |           |          |           |          |       |          |          |          |    |   |
| Renewable energy certificates |                               |           |          |              |          |           |          |           |          |       |          |          |          |    |   |
| Derivative instruments        | Derivative instruments        | 29        | 41       | —            | —        | —         | —        | —         | —        | —     | —        | —        | —        | —  | — |
| Smart meter rider             | Smart meter rider             | 5         | 5        | 5            | 5        | —         | —        | —         | —        | —     | —        | —        | —        | —  | — |
| Universal service rider       |                               |           |          |              |          |           |          |           |          |       |          |          |          |    |   |
| Storm damage costs            | Storm damage costs            | 5         | —        | 5            | —        | —         | —        | —         | —        | —     | —        | —        | —        | —  | — |
| Universal service rider       |                               | 10        | 3        | 10           | 3        | —         | —        | —         | —        | —     | —        | —        | —        | —  | — |
| Gas supply clause             |                               |           |          |              |          |           |          |           |          |       |          |          |          |    |   |
| Fuel adjustment clause        | Fuel adjustment clause        | 8         | 38       | —            | —        | 3         | 9        | 5         | 29       |       |          |          |          |    |   |
| Transmission service charge   | Transmission service charge   | 24        | —        | 24           | —        | —         | —        | —         | —        |       |          |          |          |    |   |

|  |  |          |          |        |        |        |        |        |        |
|--|--|----------|----------|--------|--------|--------|--------|--------|--------|
| Transmission                                 |  |          |          |        |        |        |        |        |        |
| formula rate                                 |  |          |          |        |        |        |        |        |        |
| Distribution system improvement charge       | Distribution system improvement charge       | 8        | 5        | 8      | 5      | —      | —      | —      | —      |
| Other  | Other  | 3        | 15       | —      | —      | 2      | 1      | 2      | 3      |
| Total current regulatory assets              | Total current regulatory assets              | \$ 315   | \$ 258   | \$ 52  | \$ 13  | \$ 5   | \$ 23  | \$ 7   | \$ 32  |
| Noncurrent Regulatory Assets:                | Noncurrent Regulatory Assets:                |          |          |        |        |        |        |        |        |
| Noncurrent Regulatory Assets:                | Noncurrent Regulatory Assets:                |          |          |        |        |        |        |        |        |
| Defined benefit plans                        | Defined benefit plans                        |          |          |        |        |        |        |        |        |
| Defined benefit plans                        | Defined benefit plans                        | \$ 795   | \$ 778   | \$ 371 | \$ 353 | \$ 204 | \$ 209 | \$ 137 | \$ 140 |
| Plant outage costs                           | Plant outage costs                           | 40       | 46       | —      | —      | 10     | 12     | 30     | 34     |
| Net metering                                 | Net metering                                 | 98       | 61       | —      | —      | —      | —      | —      | —      |
| Environmental cost recovery                  | Environmental cost recovery                  | 100      | 102      | —      | —      | —      | —      | —      | —      |
| Taxes recoverable through future rates       | Taxes recoverable through future rates       | —        | 47       | —      | —      | —      | —      | —      | —      |
| Storm costs                                  | Storm costs                                  | 97       | 118      | —      | —      | 15     | 7      | 14     | 3      |
| Unamortized loss on debt                     | Unamortized loss on debt                     | 24       | 21       | 4      | 3      | 11     | 11     | 7      | 7      |
| Interest rate swaps                          | Interest rate swaps                          | 3        | 7        | —      | —      | 3      | 7      | —      | —      |
| Terminated interest rate swaps               | Terminated interest rate swaps               | 59       | 63       | —      | —      | 35     | 37     | 24     | 26     |
| Accumulated cost of removal of utility plant | Accumulated cost of removal of utility plant | 186      | 212      | 186    | 212    | —      | —      | —      | —      |
| AROs   | AROs   | 290      | 295      | —      | —      | 76     | 76     | 214    | 219    |
| Derivatives instruments                      | Derivatives instruments                      | 5        | —        | —      | —      | —      | —      | —      | —      |
| Derivatives instruments                      | Derivatives instruments                      |          |          |        |        |        |        |        |        |
| Other  | Other  | 90       | 69       | —      | —      | 26     | 14     | 16     | 13     |
| Total noncurrent regulatory assets           | Total noncurrent regulatory assets           | \$ 1,787 | \$ 1,819 | \$ 561 | \$ 568 | \$ 380 | \$ 373 | \$ 442 | \$ 442 |

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|     | PPL                |                   | PPL Electric       |                   | LG&E               |                   | KU                 |                   |
|-----|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
|     | September 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 |
| PPL |                    |                   |                    |                   |                    |                   | PPL Electric       | LG&E              |
|     |                    |                   |                    |                   |                    |                   |                    | KU                |

|                                    |               |    |       |    |       |    |     |    |     | December |      | December |      | December |      | March | December |
|------------------------------------|---------------|----|-------|----|-------|----|-----|----|-----|----------|------|----------|------|----------|------|-------|----------|
| March 31, 2024                     |               |    |       |    |       |    |     |    |     | March    | 31,  | March    | 31,  | March    | 31,  | 31,   | 31,      |
|                                    |               |    |       |    |       |    |     |    |     | 31, 2024 | 2023 | 31, 2024 | 2023 | 31, 2024 | 2023 | 2024  | 2023     |
| Current                            | Current       |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Regulatory                         | Regulatory    |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Liabilities:                       | Liabilities:  |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Generation                         | Generation    |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| supply                             | supply        |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| charge                             | charge        | \$ | 41    | \$ | 37    | \$ | 41  | \$ | 37  | \$       | —    | \$       | —    | \$       | —    | \$    | —        |
| Transmission service charge        |               |    | —     |    | 14    |    | —   |    | 7   |          | —    |          | —    |          | —    |       | —        |
| TCJA customer refund               |               |    | 7     |    | 15    |    | 7   |    | 15  |          | —    |          | —    |          | —    |       | —        |
| Generation supply charge           |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Generation supply charge           |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Tax Cuts and                       |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Jobs Act                           |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| customer                           |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| refund                             |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Act 129                            | Act 129       |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| compliance                         | compliance    |    | 17    |    | 14    |    | 17  |    | 14  |          | —    |          | —    |          | —    |       | —        |
| rider                              | rider         |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Transmission                       | Transmission  |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| formula rate                       | formula rate  |    | 18    |    | 12    |    | 18  |    | 12  |          | —    |          | —    |          | —    |       | —        |
| Rate                               | Rate          |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| adjustment                         | adjustment    |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| mechanism                          | mechanism     |    | 147   |    | 96    |    | —   |    | —   |          | —    |          | —    |          | —    |       | —        |
| Energy                             | Energy        |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| efficiency                         | efficiency    |    | 23    |    | 23    |    | —   |    | —   |          | —    |          | —    |          | —    |       | —        |
| Gas supply                         | Gas supply    |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| clause                             | clause        |    | 18    |    | —     |    | —   |    | —   |          | 18   |          | —    |          | —    |       | —        |
| Other                              | Other         |    | 9     |    | 27    |    | —   |    | —   |          | 5    |          | 7    |          | 11   |       | 6        |
| Total current                      | Total current |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| regulatory                         | regulatory    |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| liabilities                        | liabilities   | \$ | 280   | \$ | 238   | \$ | 83  | \$ | 85  | \$       | 23   | \$       | 7    | \$       | 11   | \$    | 6        |
| Noncurrent                         | Noncurrent    |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Regulatory                         | Regulatory    |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Liabilities:                       | Liabilities:  |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Noncurrent Regulatory Liabilities: |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Noncurrent Regulatory Liabilities: |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Accumulated cost of removal        |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| of utility plant                   |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Accumulated cost of removal        |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| of utility plant                   |               |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| Accumulated                        | Accumulated   |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| cost of                            | cost of       |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| removal of                         | removal of    |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| utility plant                      | utility plant | \$ | 991   | \$ | 950   | \$ | —   | \$ | —   | \$       | 301  | \$       | 287  | \$       | 400  | \$    | 389      |
| Power                              | Power         |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| purchase                           | purchase      |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| agreement -                        | agreement -   |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| OVEC                               | OVEC          |    | 20    |    | 26    |    | —   |    | —   |          | 14   |          | 18   |          | 6    |       | 8        |
| Net deferred                       | Net deferred  |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| taxes                              | taxes         |    | 1,999 |    | 2,094 |    | 772 |    | 775 |          | 465  |          | 477  |          | 528  |       | 546      |
| Defined                            | Defined       |    |       |    |       |    |     |    |     |          |      |          |      |          |      |       |          |
| benefit plans                      | benefit plans |    | 240   |    | 187   |    | 66  |    | 45  |          | 21   |          | 21   |          | 57   |       | 56       |

|   |   |          |          |        |        |        |        |          |          |
|---|---|----------|----------|--------|--------|--------|--------|----------|----------|
| Terminated interest rate swaps          | Terminated interest rate swaps          | 58       | 60       | —      | —      | 29     | 30     | 29       | 30       |
| Energy efficiency                       | Energy efficiency                       | 39       | 32       | —      | —      | —      | —      | —        | —        |
| Other                                   | Other                                   | 37       | 63       | —      | —      | —      | —      | 2        | —        |
| Total noncurrent regulatory liabilities | Total noncurrent regulatory liabilities | \$ 3,384 | \$ 3,412 | \$ 838 | \$ 820 | \$ 830 | \$ 833 | \$ 1,022 | \$ 1,029 |

## Regulatory Matters

### Rhode Island Activities (PPL)

#### Rate Case ~~proceedings~~ Proceedings

Pursuant to Report and Order No. 23823 issued May 5, 2020, the RIPUC approved the terms of an Amended Settlement Agreement (ASA), reflecting an allowed return on equity (ROE) rate of 9.275% based on a common equity ratio of approximately 51%. RIE is currently in year ~~five~~ ~~six~~ of the multi-year rate plan (Rate Plan). On June 30, 2021, the Rhode Island Division of Public Utilities and Carriers consented to an open-ended extension of the term of the Rate Plan. Pursuant to the settlement with the Rhode Island Office of the Attorney General in connection with the acquisition of RIE by PPL, RIE currently does not anticipate filing a new base rate case before ~~May 25, 2025~~ ~~October 1, 2025~~. Pursuant to the open-ended extension, the Rate Year 3 level of base distribution rates under ASA will remain in effect and RIE will continue to operate under the current Rate Plan until a new Rate Plan is approved by the RIPUC.

The ASA includes additional provisions, including (i) an Electric Transportation Initiative (the ET Initiative) to facilitate the growth of Electric Vehicle (EV) adoption and scaling of the market for EV charging equipment to advance Rhode Island's zero emission vehicles and greenhouse gas emissions policy goals, (ii) two energy storage demonstration projects, which are ~~on track for timely completion~~, ~~online and fully connected~~, (iii) a performance incentive for System Efficiency: Annual Megawatt Capacity Savings, which sunset in 2021 and is ~~now~~ a tracking and reporting only metric, and (iv) several additional metrics for tracking and reporting purposes only. The RIPUC discussed the ET Initiative at an Open Meeting on August 30, 2022, advising RIE to seek RIPUC authorization to continue the ET Initiative and/or to alter any of the targets established in the ASA for Rate Year 5 and beyond. No votes or official rulings were taken; however, based on this feedback, RIE ~~has~~ paused the ET programs in Rate Year 5.

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#### Advanced Metering Functionality (AMF)

In 2021, RIE filed its Updated AMF Business Case and Grid Modernization Plan (GMP) with the RIPUC in accordance with the ASA ~~approved by the RIPUC in August 2018~~, and which, among other things, sought approval to deploy smart meters throughout the service territory. ~~In 2021, the RIPUC stayed the AMF and GMP proceedings pending further consideration following the issuance of a final Order by the Rhode Island Division of Public Utilities and Carriers on After PPL completed the acquisition of RIE. RIE, filed notice of withdrawal of the original Updated AMF Business Case and GMP with the RIPUC, and in November 2022 RIE filed a new AMF Business Case with the RIPUC. The new AMF Business Case filing consists RIPUC in 2022, consisting of a detailed proposal for full-scale deployment of AMF across its electric service territory. The proposal will enable significant customer and grid benefits in line with the state's climate mandates. In its filing, RIE estimated that the proposed program would cost \$188 million on a net present value (NPV) basis and provide benefits~~

~~Table of \$729 million NPV over the 20-year project life, yielding a benefit-cost ratio of 3.9x. RIE believes AMF is a foundational technology that is a necessary first step to transforming Rhode Island's electric distribution system. Contents~~

On September 27, 2023, the RIPUC unanimously approved RIE to deploy an AMF-based metering system for the electric distribution business. RIE is authorized to seek recovery of the approved capital investment through the ISR process with an overall multi-year cap on recovery at approximately \$153 million, subject to certain terms, conditions and limitations with respect to the potential offsets and recoverability of certain costs. RIE is required to continue spending, even if above the recovery cap, until it achieves the functionalities outlined in the AMF Business Case. RIE ~~is required to file~~ ~~filed~~ with the RIPUC (i) ~~by December 27, 2023~~, an updated electric Service Quality Plan ~~on December 27, 2023~~ for RIPUC ~~review and~~ approval and (ii) additional ~~compliance~~ tariff provisions regarding recovery and ~~plans that address certain programs related updated cost schedules to AMF, reflect the RIPUC's decision on December 22, 2023 for RIPUC approval. RIE cannot predict the outcome of these matters.~~

#### Grid Modernization

RIE filed a new GMP with the RIPUC on December 30, 2022. The new GMP filing consists of a holistic suite of grid modernization investments that will provide RIE with the tools and capability to manage the electric distribution system more granularly considering a range of distributed energy resources adoption levels, accelerated by Rhode Island's climate mandates, while at the same time maintaining a safe and reliable electric distribution system. The GMP is an informational guidance document that supports the grid modernization investments to be proposed in future electric ISR plans. Consequently, RIE did not request approval from the RIPUC for any specific investments or seek cost recovery as part of the GMP; rather, RIE requested that the RIPUC ~~issue~~ ~~issues~~ an order affirming ~~RIE's~~ ~~RIE's~~ compliance with its obligation to file a GMP that meets the requirements of the ASA. The RIPUC held a status conference on October 26, 2023, to discuss the scope of the RIPUC's review of the GMP and ~~how it would its potential~~ impact future electric ISR plans.

#### COVID-19 Deferral Filing

On April 30, 2021, RIE filed a petition for approval to recognize regulatory assets related to COVID-19 impacts (RIPUC Docket No. 5154). In its petition, RIE sought the RIPUC's authorization to create regulatory assets and consideration of future cost recovery for the following COVID-19 costs: (i) the increased cost of customer accounts receivable that RIE will be unable to collect as a result of the COVID-19 pandemic, and the executive orders and RIPUC orders restricting RIE's collection activities as a result of the pandemic, which will result in increased net charge-offs; (ii) lost revenue from unassessed late payment charges; and (iii) charges to RIE for other fees that RIE has waived pursuant to the RIPUC's orders in RIPUC Docket No. 5022. RIE is evaluating its request to create a regulatory asset for COVID-19-related bad debt expense to consider the impact, if any, of the proposed arrearage forgiveness sought in RIE's Petition to Forgive Certain Arrearage Balances for Low-Income and Protected Customers in Docket No. 22-08-GE, which RIE filed with the RIPUC to fulfill its obligations under PPL's settlement with the Rhode Island Attorney General. RIE cannot predict the outcome of this matter.

#### *Petition for Deferral of Credit Card Fees*

[Table](#) On January 31, 2024, RIE filed a petition to request approval to recognize regulatory assets related to the credit card, debit card, and related fees (Electronic Transaction Fees) that RIE has waived and will continue to waive on a going forward basis pursuant to the RIPUC orders in RIPUC Docket No. 5022 related to COVID-19 impacts. If approved, RIE plans to include a proposal as part of [Contents](#) its next base distribution rate case for the amortization/recovery of the regulatory assets and to include future Electronic Transaction Fees in base distribution rates. The Rhode Island Division of Public Utilities and Carriers (the Division) and Intervenor testimony is due two weeks following the filing of RIE's Revised 2022 Earnings Reports, which RIE intends to file in the second quarter of 2024. RIE's rebuttal testimony is due two weeks following the Division's filing of its testimony. No hearings have been scheduled at this time. RIE simultaneously filed a Notice of Withdrawal of its April 2021 petition to create regulatory assets for COVID-19 related bad debt expense and the lost revenue from unassessed late payment charges pending in Docket No. 5154. RIE is continuing to evaluate these other COVID-19 related costs and intends to reserve its rights to file for recovery of these costs in the future. RIE cannot predict the outcome of this matter.

#### *FY 2023 Gas Infrastructure, Safety and Reliability (ISR) Plan*

At an Open Meeting on March 29, 2022, the RIPUC conditionally approved RIE's RIE's FY 2023 Gas ISR Plan and associated revenue requirement, subject to further review regarding RIE's Proactive Main Replacement Program and its decision to reconstruct and purchase heating and pressure regulation equipment located at RIE's RIE's Wampanoag and Tiverton take stations. TheIn response to RIPUC held an Open Meeting on September 13, 2022, and issued its Order on November 18, 2022 regarding the Proactive Main Replacement Program and made the following rulings: (i) commencing [direction](#), RIE filed testimony with the Gas ISR plan to be filed in this calendar year 2022 (prospectively), new main constructed to replace leak prone pipe will not be considered used and useful, and therefore not eligible for rate base treatment, until the related old main is abandoned; and (ii) approved the proactive main replacement revenue requirement set forth in the FY 2023 Gas ISR plan. Also, the RIPUC directed RIE to submit prefiled testimony on the issue of May 16, 2022 regarding its replacement of heating and pressure regulation facilities at the Wampanoag and Tiverton take stations and to address three issues, specifically; addressing: (i) a cost-benefit analysis arising from RIE's decision to take ownership of the reconstructed take station equipment; (ii) the potential that the benefits derived from the reconstruction and ownership transfer of the take station equipment will not be realized due to the future use of hydrogen or abandonment of the gas system; and (iii) the depreciation and accounting treatment of the reconstructed take station equipment. RIE filed this testimony with the RIPUC on May 16, 2022, the The RIPUC has not taken any action to date on this issue. The RIPUC continues to consider the appropriate rate recovery treatment of projects not covered by an ISR plan for the applicable fiscal year, and additional definitions and procedures that may be implemented related to the ISR plan process. A new docket has been opened to address this matter with the goal of implementing changes for issue, including in its recent action on the FY 2025 ISR Plan. RIE cannot predict the outcome of these matters. The RIPUC held an evidentiary hearing on October 18, 2023, regarding RIE's FY 2023 Gas ISR reconciliation, which is part of the distribution adjustment clause rates for effect November 1, 2023. During the hearing, a draft framework with conceptual parameters and principles for future gas ISR plans was introduced, which will be further discussed on November 7, 2023. [Plan](#).

#### *FY 2024 Gas ISR Plan*

On December 23, 2022, RIE filed its FY 2024 Gas ISR Plan with the RIPUC. At its January 20, 2023 Open Meeting, the RIPUC directed RIE to file supplemental budget and rate schedules to reflect an April 1 to March 31 fiscal year. The supplemental budget that was filed with the RIPUC on January 27, 2023 includes \$187 million of capital investment spend. The supplemental rate schedules were filed on February 3, 2023. RIE and the Rhode Island Division of Public Utilities and Carriers reached an agreement on an approximately \$171 million capital investment spending plan, and RIE filed a second supplemental budget on March 13, 2023. The RIPUC held a hearing on the plan on March 14, 2023. At an Open Meeting on March 29, 2023, the RIPUC approved the plan RIE's FY 2024 Gas ISR Plan with an adjustment to the budget for the Proactive Main Replacement Program category resulting in a total approved FY 2024 Gas ISR Plan of \$163 million for capital investment spend. On March 31, 2023, the RIPUC approved RIE's March 30, 2023 compliance filing for rates effective April 1, 2023. The Certain open issues regarding the Gas ISR Plan budgetary and reconciliation framework, raised in connection with the FY 2024 Gas ISR Plan, have been resolved in connection with the approval of the FY 2025 Gas ISR Plan, as discussed below.

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#### *FY 2025 Gas ISR Plan*

On December 22, 2023, RIE filed its FY 2025 Gas ISR Plan with the RIPUC continues with a budget that includes \$185 million of capital investment spend, plus up to consider an additional \$11 million of contingency plan spend in light of the appropriate rate recovery treatment Pipeline and Hazardous Materials Safety Administration's potential enactment of projects not covered by an regulations during FY 2025 that, if enacted, would significantly alter RIE's leak detection and repair obligations under such regulations. RIE also filed its proposed gas ISR plan for the applicable fiscal year, budgetary and additional definitions and procedures that may be implemented related to the ISR plan review and approval process starting reconciliation framework, addressing issues raised in connection with the its FY 2024 submission, with its FY 2025 ISR Plan. A new docket will be opened to address this matter The RIPUC held hearings in March 2024, and on March 26, 2024, approved the plan, including the proposed budgetary and reconciliation framework, with the goal of implementing changes for the a total approved FY 2025 Gas ISR Plan. RIE cannot predict Plan of \$180 million of which \$168 million is for capital investment spend and \$12 million spend for paving costs as operations and maintenance (O&M), plus the outcome of these matters, potential additional \$11 million available if the above-mentioned

regulations are implemented by the Pipeline and Hazardous Materials Safety Administration. On March 28, 2024, the RIPUC approved RIE's compliance filing for rates effective April 1, 2024.

#### *FY 2024 Electric ISR Plan*

On December 23, 2022, RIE filed its FY 2024 Electric ISR Plan with the RIPUC. At its January 20, 2023 Open Meeting, the RIPUC directed RIE to file supplemental budget and rate schedules to reflect an April 1 to March 31 fiscal year. The supplemental budget filed with the RIPUC on January 27, 2023 includes \$176 million of capital investment spend, \$14 million of vegetation operations and management (O&M) spend and \$3 million of Other O&M spend. The supplemental rate schedules were filed on February 3, 2023. RIE filed second supplemental budget schedules on March 21, 2023, which includes \$166 million of capital investment spend, \$14 million of vegetation management O&M spend and \$1 million of Other O&M spend. The RIPUC held hearings in March 2023, and on March 29, 2023, approved the plan RIE's FY 2024 Electric ISR Plan, as supplemented, with modifications to the proposed capital investment spend, resulting in a total approved FY 2024 Electric ISR Plan of \$112 million for capital investment spend, \$14 million for vegetation management O&M spend, and \$1 million for Other O&M spend.

On March 31, 2023, the RIPUC approved RIE's March 30, 2023 compliance filing for rates effective April 1, 2023. The RIPUC continues to consider Certain open issues regarding the appropriate rate recovery treatment Electric ISR Plan budgetary and reconciliation framework, raised in connection with the FY 2024 Electric ISR Plan, have been resolved in connection with the approval of projects not covered by an the FY 2025 Electric ISR plan, for as discussed below.

#### *FY 2025 Electric ISR Plan*

On December 21, 2023, RIE filed its FY 2025 Electric ISR Plan with the applicable fiscal year, RIPUC with a budget that includes \$141 million of capital investment spend, \$13 million of vegetation O&M spend and additional definitions and procedures that may be implemented related to the \$1 million of Other O&M spend. RIE also filed its proposed electric ISR plan review budgetary and approval process. A new docket has been opened to address this matter reconciliation framework, addressing issues raised in connection with the goal of implementing changes for the its FY 2024 submission, with its FY 2025 ISR Plan. RIE cannot predict The RIPUC held hearings in March 2024, and on March 26, 2024, approved the outcome plan, including the proposed budgetary and reconciliation framework, with modifications to the proposed capital investment spend, resulting in a total approved FY 2025 Electric ISR Plan of these matters. \$132 million for capital investment spend, \$13 million for vegetation management O&M spend, and \$1 million for Other O&M spend. On March 28, 2024, the RIPUC approved RIE's compliance filing for rates effective April 1, 2024.

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#### [Kentucky Activities \(PPL, LG&E and KU\)](#)

#### [CPCN and SB 4 Application KPSC Investigation Related to Winter Storm Elliott](#)

On December 15, 2022 December 22, 2023, the KPSC initiated an investigation into the practices of LG&E and KU filed an application with regarding the KPSC for provision of electric service from December 23, 2022 through December 25, 2022, during a CPCN for period of extreme temperatures during Winter Storm Elliott. The investigation is the construction result of two 621 MW net summer rating NGCC combustion turbine facilities, one at LG&E's Mill Creek Generating Station and KU's need to implement brief service interruptions to approximately 55,000 customers during this period. The purpose of the investigation is to supplement discovery and examination already completed through LG&E's and KU's CPCN proceedings, a legislative hearing completed in Jefferson County, Kentucky February 2023 and reports completed by the NERC and the other at FERC related to the issue. Additionally, the investigation will evaluate LG&E's and KU's E.W. Brown Generating Station in Mercer County, Kentucky, including on-site natural gas actions taken, or planned to be taken, since Winter Storm Elliott that affect their ability to provide service during periods of variable weather and electric transmission construction associated with those facilities and site compatibility certificates. power system stress. LG&E and KU also applied for a CPCN to construct a 120 MWac solar photovoltaic electric generating facility in Mercer County, Kentucky, believe actions taken during the period under question were necessary and for a CPCN to acquire a 120 MWac solar facility to be built by a third-party solar developer in Marion County, Kentucky. LG&E and KU further applied for a CPCN to construct a 125 MW, 4-hour battery energy storage system facility at KU's E.W. Brown Generating Station and for approval of their proposed 2024-2030 DSM programs. The plan includes adding 14 new, adjusted or expanded energy efficiency programs, which would reduce LG&E's and KU's overall need by approximately 100 MW each. Finally, LG&E and KU requested a declaratory order to confirm that their entry into non-firm energy-only power-purchase agreements appropriate. Several parties have been granted intervenor status for the output of four solar photovoltaic facilities with proceeding and a combined capacity of 637 MW does not require KPSC approval and that LG&E and KU may recover the costs of the solar PPAs through their fuel adjustment clause mechanisms as previously approved for a prior solar PPA. LG&E and KU plan to accrue AFUDC hearing on the constructed NGCC facilities, the solar facility in Mercer County, Kentucky and the battery energy storage system facility and have requested regulatory asset treatment to recover the financing costs of these projects.

The new NGCC facilities would be jointly owned by LG&E (31%) and KU (69%) and the solar units would be jointly owned by LG&E (37%) and KU (63%), the battery storage unit would be owned by LG&E, and the proposed PPA transactions and DSM programs would be entered into or conducted jointly by LG&E and KU, consistent with LG&E and KU's shared dispatch, cost allocation, tariff or other frameworks.

The filing also notes planned retirement dates matter is scheduled for certain existing coal-fired generation units, including Mill Creek 1 (300 MW) in 2024 and E.W. Brown 3 (412 MW) in 2028, and updates and advances the planned retirement dates for Mill Creek 2 (297 MW) to 2027 and Ghent 2 (486 MW) to 2028 May 23, 2024. LG&E and KU anticipate the recovery of associated retirement costs, including the remaining net book value, for these coal-fired generating units through the RAR or other rate mechanisms.

The KPSC accepted the CPCN filing as of January 6, 2023. On March 24, 2023, Kentucky Senate Bill 4 (SB 4) went into effect, which requires KPSC approval of fossil fuel-fired electric generating unit retirements in the state. On May 10, 2023, LG&E and KU filed an application with the KPSC seeking approval of the retirement of seven fossil fuel-fired generating units as required by the recently enacted SB 4. On May 16, 2023, the KPSC entered an Order consolidating the SB 4 filing proceeding into the CPCN case. On August

29, 2023, a hearing with the KPSC and all parties concluded, and all post-hearing briefs have been filed. The KPSC has indicated its intention to issue an order on all issues by November 6, 2023. PPL, LG&E and KU cannot predict the outcome of these matters.

#### Kentucky March 2023 Storm

On March 3, 2023, this matter, and an estimate of the impact, if any, cannot be determined, but LG&E and KU experienced do not believe this matter will have a significant windstorm activity in impact on their service territories, resulting in substantial damage to certain operations or financial condition.

[Table of LG&E's and KU's assets with total costs incurred through September 30, 2023 of \\$75 million \(\\$33 million at LG&E and \\$42 million at KU\). On March 17, 2023, LG&E and KU submitted a filing with the KPSC requesting regulatory asset treatment of the extraordinary operations and maintenance expenses portion of the costs incurred related to the windstorm. On April 5, 2023, the KPSC issued an order approving the request for accounting purposes, noting that approval for recovery would be determined in LG&E's and KU's next base rate cases. As of September 30, 2023, LG&E and KU recorded regulatory assets related to the storm of \\$8 million and \\$11 million. \[Contents\]\(#\)](#)

#### Pennsylvania Activities (PPL and PPL Electric)

##### *PAPUC investigation into billing issues*

On January 31, 2023, the PAPUC initiated an investigation focused on billing issues related to estimated, irregular bills and customer service concerns following customer complaints, which for many customers were driven by increased prices for electricity supply. Certain bills issued during the time period of December 20, 2022 through [January 25, 2023](#) January 9, 2023 were estimated due to a technical issue that prevented PPL Electric from providing actual collected meter data to customer facing and other

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internal systems. Customers also reported difficulties accessing PPL Electric's website and contacting the customer service call center. The PAPUC's Bureau of Investigation & Enforcement (I&E) has directed PPL Electric to respond to certain inquiries and document requests. PPL Electric has submitted its responses to the information request and is cooperating cooperated fully with the investigation. PPL Electric reached a Settlement Agreement with I&E on November 21, 2023. In the settlement, PPL Electric agreed to pay a civil penalty of \$1 million, make certain remedial improvements to its billing systems and processes, and agreed to not seek recovery for extraordinary costs incurred in responding to or resulting from the billing event. On November 21, 2023, PPL Electric and I&E submitted a Joint Petition for Approval of Settlement to the PAPUC. On January 18, 2024, the PAPUC issued an Order requesting public comment prior to the PAPUC entering a Final Order on the petition. Comments were due on February 28, 2024, and comments were filed by the Office of Consumer Advocate, CAUSE-PA (low-income advocate), and individual customers. On March 19, 2024, PPL Electric filed reply comments. On April 25, 2024, the PAPUC announced at its public meeting that it would be issuing an order approving the Settlement Agreement with modifications. The modifications included converting the \$1 million civil penalty to a \$1 million donation to PPL Electric's hardship fund, Operation HELP, and requiring PPL Electric to make various progress reports on efforts to remediate the billing issue. PPL Electric and I&E have 20 business days from the issuance of the PAPUC order to accept or reject the proposed modifications to the Settlement Agreement. The final approval of the Settlement Agreement is pending the issuance of the PAPUC's order and PPL Electric and I&E's decision on whether to accept the modifications. PPL Electric cannot predict the outcome of this matter.

PPL Electric incurred costs related to the billing issues of \$15 million and \$3 million for the three-month periods ended March 31, 2024 and March 31, 2023. PPL Electric will not seek regulatory recovery of these costs.

#### DSIC Petition

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. PPL Electric requested PAPUC approval no later than the PAPUC's public meeting on December 5, 2024. PPL Electric cannot predict the outcome of this matter.

#### Federal Matters

##### *FERC Transmission Rate Filing (PPL, LG&E and KU)*

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the D.C. Circuit Court of Appeals regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU requested and received an extension of time to process refunds until December 2023. LG&E and KU filed a request for rehearing of the May 18, 2023 order, which was denied by operation of law on July 17, 2023. LG&E and KU filed petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on July 28, 2023 December 1, 2023. The FERC has indicated in its filings before issued an order on LG&E and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The proceedings at the D.C. Circuit Court of Appeals that it intends were held on abeyance to issue a allow the FERC time to substantively address LG&E and KU's request



for rehearing of the November 16 order. FERC issued the substantive order on rehearing before November 13, 2023 on March 21, 2024. The LG&E and KU filed an unopposed motion to lift the abeyance on April

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24, 2024 and anticipate a resumption of activities with the D.C. Circuit Court of Appeals will likely set the procedural schedule soon after FERC files the certified index to the record Appeal in mid-November 2023. LG&E and KU recorded regulatory liabilities May of \$3 million and \$9 million related to potential refunds resulting from the FERC's May 18, 2023 order, 2024. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits provided primarily through base rates with increases, provided, however, that increases associated with the FERC's May 18, 2023 order are expected to be primarily subject to base rate recovery in future rate proceedings.

## *Recovery of Transmission Costs (PPL)*

Until December 2022, RIE's transmission facilities were operated in combination with the transmission facilities of National Grid's Grid USA's New England affiliates, Massachusetts Electric Company (MECO) and New England Power (NEP), as a single integrated system with NEP designated as the combined operator. As of January 1, 2023, RIE operates its own transmission facilities. NE-ISO allocates RIE's costs among transmission customers in New England, in accordance with the ISO Open Access Transmission Tariff (ISO-NE OATT). According to the FERC orders, RIE is compensated for its actual monthly transmission costs, with its authorized maximum ROE of 11.74% on its transmission assets.

The ROE for transmission rates under the ISO-NE OATT is the subject of four complaints that are pending before the FERC. On October 16, 2014, the FERC issued an order on the first complaint, Opinion No. 531-A, resetting the base ROE applicable to transmission assets under the ISO-NE OATT from 11.14% to 10.57% effective as of October 16, 2014 and establishing a maximum ROE of 11.74%. On April 14, 2017, this order was vacated and remanded by the D. C. Circuit Court of Appeals (Court of Appeals). After the remand, the FERC issued an order on October 16, 2018 applicable to all four pending cases where it proposed a new base ROE methodology that, with subsequent input and support from the New England Transmission Owners (NETO), yielded a base ROE of 10.41%. Subsequent to the FERC's October 2018 order in the New England Transmission Owners cases, the FERC further refined its ROE methodology in another proceeding and has applied that refined methodology to transmission owners' ROEs in other jurisdictions, and the NETOs filed further information in the New England matters to distinguish their case. Those determinations in other jurisdictions have recently been vacated and remanded back to the FERC for further proceedings by the D.C. Circuit Court of Appeals. The proceeding and the final base rate ROE determination in the New England matters remain open, pending a final order from the FERC. PPL cannot predict the outcome of this matter, and an estimate of the impact cannot be determined.

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### **Other**

#### Purchase of Receivables Program

##### *(PPL and PPL Electric)*

In accordance with a PAPUC-approved purchase of accounts receivable program, PPL Electric purchases certain accounts receivable from alternative electricity suppliers at a discount, which reflects a provision for uncollectible accounts. The alternative electricity suppliers have no continuing involvement or interest in the purchased accounts receivable. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition. During the three and nine months ended September 30, 2023, March 31, 2024 and 2023, PPL Electric purchased \$391 \$419 million and \$1 billion \$358 million of accounts receivable from alternative suppliers. During the three and nine months ended September 30, 2022, PPL Electric purchased \$352 million and \$974 million of receivables.

##### *(PPL)*

In 2021 and 2022, the RIPUC approved various components of a Purchase of Receivables Program (POR) in Rhode Island for effect on April 1, 2022. Municipal aggregators and non-regulated power producers (collectively, Competitive Suppliers) are eligible to participate in accordance with RIE's approved electric tariffs for municipal aggregation and non-regulated power producers. Under the POR program, RIE will purchase the Competitive Suppliers' accounts receivables, including existing receivables, at discounted rates, regardless of whether RIE has collected the owed monies from customers. The program is intended to make RIE whole through the implementation of a discount rate or Standard Complete Bill Percentage (SCBP) paid by Competitive Suppliers. RIE calculates the SCBP for each customer class and files the calculations with the RIPUC for review and approval by February 15 of each year. At an Open Meeting on March 29, 2023 March 26, 2024, the RIPUC approved the SCBP for effect beginning on April 1, 2023 April 1, 2024, for a one-year period.

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### **7. Financing Activities**

#### **Credit Arrangements and Short-term Debt**

##### *(All Registrants)*

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. For reporting purposes, on a consolidated basis, the credit facilities and commercial paper programs of PPL Electric, LG&E and KU are attributable to PPL. The amounts listed in the borrowed column below are



recorded as "Short-term debt" on the Balance Sheets except for borrowings under PPL Electric's term loan agreement due March 2024 and borrowings under LG&E's and KU's term loan agreements due July 2024, which are reflected in "Long-term debt" at December 31, 2022. Sheets. The following credit facilities were in place at:

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|   | September 30, 2023                          |          |          |            |          |          |            |  | December 31, 2022                           |          |          |            | March 31, 2024 |          |            |  | December 31, 2023                      |          |          |  |          |          |            |  |
|---|---|----------|----------|------------|----------|----------|------------|--|---|----------|----------|------------|----------------|----------|------------|--|--|----------|----------|--|----------|----------|------------|--|
|   | Letters of Credit and Commercial Paper      |          |          |            |          |          |            |  | Letters of Credit and Commercial Paper      |          |          |            |                |          |            |  | Letters of Credit and Commercial Paper |          |          | Letters of Credit and Commercial Paper |          |          |            |  |
|   | Expiration                                  |          | Paper    |            | Unused   |          |            |  | Expiration                                  |          | Paper    |            | Unused         |          |            |  | Expiration                             |          | Paper    |  | Unused   |          |            |  |
|   | Date  | Capacity | Borrowed | Issued (c) | Capacity | Borrowed | Issued (c) |  | Date  | Capacity | Borrowed | Issued (c) | Capacity       | Borrowed | Issued (c) |  | Date                                   | Capacity | Borrowed | Issued (c)                             | Capacity | Borrowed | Issued (c) |  |
| PPL   | PPL   |          |          |            |          |          |            |  | PPL   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| PPL Capital Funding (a)                     | PPL Capital Funding (a)                     |          |          |            |          |          |            |  | PPL Capital Funding (a)                     |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Syndicated Credit Facility (b)              | Syndicated Credit Facility (b)              |          |          |            |          |          |            |  | Syndicated Credit Facility (b)              |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
|   | Dec. 2027                                   | \$ 1,250 | \$ —     | \$ 75      | \$ 1,175 | \$ —     | \$ 561     |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Bilateral Credit Facility                   | Bilateral Credit Facility                   |          |          |            |          |          |            |  | Bilateral Credit Facility                   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
|   | Mar. 2024                                   | 100      | —        | —          | 100      | —        | —          |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Bilateral Credit Facility                   | Bilateral Credit Facility                   |          |          |            |          |          |            |  | Bilateral Credit Facility                   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
|   | Mar. 2024                                   | 100      | —        | 13         | 87       | —        | 58         |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Bilateral Credit Facility                   |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Bilateral Credit Facility                   |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Total PPL Capital Funding Credit Facilities | Total PPL Capital Funding Credit Facilities |          |          |            |          |          |            |  | Total PPL Capital Funding Credit Facilities |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
|   |   | \$ 1,450 | \$ —     | \$ 88      | \$ 1,362 | \$ —     | \$ 619     |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| PPL Electric                                |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| PPL Electric                                |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| PPL Electric                                |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Syndicated Credit Facility                  | Syndicated Credit Facility                  |          |          |            |          |          |            |  | Syndicated Credit Facility                  |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
|   | Dec. 2027                                   | \$ 650   | \$ —     | \$ 188     | \$ 462   | \$ —     | \$ 146     |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Term Loan Credit Facility                   | Term Loan Credit Facility                   |          |          |            |          |          |            |  | Term Loan Credit Facility                   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
|   | Mar. 2024                                   | —        | —        | —          | —        | 250      | —          |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Total PPL Electric Credit Facilities        |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Total PPL Electric Credit Facilities        |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| Total PPL Electric Credit Facilities        | Total PPL Electric Credit Facilities        |          |          |            |          |          |            |  | Total PPL Electric Credit Facilities        |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
|   |   | \$ 650   | \$ —     | \$ 188     | \$ 462   | \$ 250   | \$ 146     |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| LG&E  |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| LG&E  |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |
| LG&E  |   |          |          |            |          |          |            |  |   |          |          |            |                |          |            |  |  |          |          |  |          |          |            |  |

|                              |                              |           |        |      |      |        |        |        |
|------------------------------|------------------------------|-----------|--------|------|------|--------|--------|--------|
| Syndicated Credit Facility   | Syndicated Credit Facility   | Dec. 2027 | \$ 500 | \$ — | \$ — | \$ 500 | \$ —   | \$ 180 |
| Term Loan Credit Facility    | Term Loan Credit Facility    | Jul. 2024 | —      | —    | —    | —      | 300    | —      |
| Syndicated Credit Facility   |                              |           |        |      |      |        |        |        |
| Syndicated Credit Facility   |                              |           |        |      |      |        |        |        |
| Total LG&E Credit Facilities |                              |           |        |      |      |        |        |        |
| Total LG&E Credit Facilities |                              |           |        |      |      |        |        |        |
| Total LG&E Credit Facilities | Total LG&E Credit Facilities |           | \$ 500 | \$ — | \$ — | \$ 500 | \$ 300 | \$ 180 |

KU

KU

KU

KU

|                            |                            |           |        |      |       |        |        |        |
|----------------------------|----------------------------|-----------|--------|------|-------|--------|--------|--------|
| Syndicated Credit Facility | Syndicated Credit Facility | Dec. 2027 | \$ 400 | \$ — | \$ 25 | \$ 375 | \$ —   | \$ 101 |
| Term Loan Credit Facility  | Term Loan Credit Facility  | Jul. 2024 | —      | —    | —     | —      | 300    | —      |
| Total KU Credit Facilities | Total KU Credit Facilities |           | \$ 400 | \$ — | \$ 25 | \$ 375 | \$ 300 | \$ 101 |
| Total KU Credit Facilities |                            |           |        |      |       |        |        |        |
| Total KU Credit Facilities |                            |           |        |      |       |        |        |        |

(a) PPL Capital Funding's obligations are fully and unconditionally guaranteed by PPL.

(b) Includes The PPL Capital Funding \$1.25 billion syndicated credit facility includes a \$250 \$400 million borrowing sublimit for RIE and a \$850 million sublimit for PPL Capital Funding at March 31, 2024. RIE's borrowing sublimit is adjustable, at the borrowers' option, from \$0 to \$600 million, with the remaining balance of the \$1.25 billion available under the facility allocated to PPL Capital Funding. At December 31, 2023, the borrowing sublimit for RIE was \$250 million and a \$1 billion sublimit for PPL Capital Funding. At September 30, 2023 March 31, 2024, PPL Capital Funding had no \$218 million commercial paper outstanding and RIE had \$75 no commercial paper outstanding. At December 31, 2023, PPL Capital Funding had \$365 million commercial paper outstanding and RIE had \$25 million of commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.

(c) Commercial paper issued reflects the undiscounted face value of the issuance.

(PPL)

In March 2023, RIE was added as an authorized borrower under the PPL Capital Funding syndicated credit facility. At September 30, 2023, RIE's borrowing limit under the facility was set at \$250 million and PPL Capital Funding's borrowing limit was set at \$1 billion. At September 30, 2023, PPL Capital Funding had no commercial paper outstanding and RIE had \$75 million of commercial paper outstanding.

(PPL and PPL Electric)

In March 2023, PPL Electric repaid its \$250 million term loan expiring in March 2024 and terminated the facility.

(PPL and LG&E)

In March 2023, LG&E repaid its \$300 million term loan expiring in July 2024 and terminated the facility.

(PPL and KU)

In March 2023, KU repaid its \$300 million term loan expiring in July 2024 and terminated the facility.

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(All Registrants)

PPL Capital Funding, RIE, PPL Electric, LG&E and KU maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by the respective Registrant's credit facilities. The following commercial paper programs were in place at:

|  |  | September 30, 2023 |  |  |            | December 31, 2022 |  | March 31, 2024 |  | December 31, 2023 |  |
|--|--|--------------------|--|--|------------|-------------------|--|----------------|--|-------------------|--|
|  |  | Weighted           |  |  | Weighted   |                   |  |                |  |                   |  |
|  |  | -                  |  |  | -          |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  |                |  |                   |  |
|  |  | (c)                |  |  | (c)        |                   |  |                |  |                   |  |
|  |  | Weighted -         |  |  | Weighted - |                   |  |                |  |                   |  |
|  |  | Average            |  |  | Average    |                   |  |                |  |                   |  |
|  |  | Interest           |  |  | Interest   |                   |  |                |  |                   |  |
|  |  | Rate               |  |  | Rate       |                   |  |                |  |                   |  |
|  |  | Capacity           |  |  | Capacity   |                   |  | </             |  |                   |  |

- (a) PPL Capital Funding's obligations are fully and unconditionally guaranteed by PPL.
- (b) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility, which has a total capacity of \$1.25 billion. At March 31, 2024, the borrowing sublimits were \$400 million for RIE and \$850 million for PPL Capital Funding. At December 31, 2023, the borrowing sublimits under the facility were \$250 million at RIE and \$1 billion and under which they are both borrowers, at PPL Capital Funding. PPL Capital Funding's Commercial paper program is also backed by a separate bilateral credit facility for \$100 million. The PPL Capital Funding syndicated credit facility includes a borrowing sublimit for RIE, which is currently set at \$250 million with the remaining \$1 billion allocated to PPL Capital Funding. RIE's obligations under the facility are not guaranteed by PPL. The sublimits of each borrower may be decreased or increased at the borrowers' option up to a prescribed amount such that all borrowings under the syndicated credit facility cannot exceed the size of the credit facility of \$1.25 billion.
- (c) Commercial paper issued reflects the undiscounted face value of the issuance.

(PPL)

In June 2023, RIE established a commercial paper program with a capacity of \$400 million. This program is supported by PPL Capital Funding's syndicated credit facility, under which RIE is a co-borrower.

(PPL Electric, LG&E, and KU)

See Note 11 for discussion of intercompany borrowings.

### Long-term Debt

(PPL)

In February 2023, PPL Capital Funding issued \$1.0 billion of 2.875% Exchangeable Senior Notes due 2028 (the Notes). PPL Capital Funding received proceeds of \$980 million, net of underwriting fees, which were used to repay short-term debt and for general corporate purposes. The Notes are senior unsecured notes, fully guaranteed by PPL. The Notes are scheduled to mature on March 15, 2028, unless earlier exchanged, redeemed or repurchased.

The Notes are exchangeable at an initial exchange rate of 29.3432 shares of PPL's common stock per \$1,000 principal amount (equivalent to an initial exchange price of approximately \$34.08 per share of common stock). The initial exchange rate is subject to adjustment, as provided in the indenture for anti-dilutive events and fundamental change and redemption provisions. Upon exchange of the Notes, PPL Capital Funding will redeem the aggregate principal amount of the Notes in cash. PPL Capital Funding will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at PPL Capital Funding's election, in respect of the remainder, if any, of its exchange obligation in excess of the aggregate principal amount of the Notes being exchanged. Prior to December 15, 2027, the Notes will be exchangeable at the option of the noteholders only upon the satisfaction of specified conditions and during certain periods described in the indenture pursuant to which the Notes were issued. On or after December 15, 2027 until the maturity date, the Notes will be exchangeable at the option of the noteholders at any time regardless of these conditions or periods.

PPL Capital Funding may redeem all or any portion of the Notes, at its option, on or after March 20, 2026, if the last reported sale price of the common stock has been at least 130% of the exchange price then in effect for at least 20 trading days (whether or not consecutive), during any 30 consecutive trading day period, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus any accrued and unpaid interest. No sinking fund is provided for the Notes.

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Subject to certain conditions, holders of the Notes will have the right to require PPL Capital Funding to repurchase all or a portion of their Notes upon the occurrence of a fundamental change, as defined in the indenture pursuant to which the Notes were issued at a repurchase price of 100% of their principal amount plus any accrued and unpaid interest. In connection with certain corporate events or if PPL Capital Funding calls any Notes for redemption, PPL Capital Funding will, under certain circumstances, increase the exchange rate for noteholders who elect to exchange their Notes in connection with any such corporate event or exchange their Notes called for redemption.

### *(PPL and PPL Electric)*

In March 2023, PPL Electric 2024, RIE issued \$600 \$500 million of 5.00% First Mortgage Bonds 5.35% Senior Notes due 2033 and \$750 million of 5.25% First Mortgage Bonds due 2053. PPL Electric 2034. RIE received proceeds of \$1.32 billion, net of discounts and underwriting fees, which were used to repay debt, including PPL Electric's \$250 million term loan, and for other general corporate purposes.

In March 2023, PPL Electric redeemed all of the outstanding \$650 million aggregate principal amount of its First Mortgage Bonds, Floating Rate Series due 2024.

In March 2023, PPL Electric redeemed all of the outstanding \$250 million aggregate principal amount of its First Mortgage Bonds, Floating Rate Series due 2023.

### *(PPL and LG&E)*

In March 2023, LG&E issued \$400 million of 5.45% First Mortgage Bonds due 2033. LG&E received proceeds of \$396 \$496 million, net of discounts and underwriting fees, which were will be used to repay LG&E's \$300 million term loan short-term debt and for other general corporate purposes.

### *(PPL and KU) PPL Electric*

In March 2023, KU January 2024, PPL Electric issued \$400 \$650 million of 5.45% 4.85% First Mortgage Bonds due 2033. KU 2034. PPL Electric received proceeds of \$396 \$644 million, net of discounts and underwriting fees, which were will be used to repay KU's \$300 million term loan short-term debt and for other general corporate purposes.

### *(PPL)*

## **Equity Securities**

In June 2023, RIE redeemed all 49,089 shares of its outstanding preferred stock at a redemption price equal to the par value of \$50 per share, plus a premium of \$5 per share, plus a prorated dividend of \$0.1875 per share. The total payment was \$3 million.

## **Dividends**

In August 2023, February 2024, PPL declared a quarterly cash dividend on its common stock, payable October 2, 2023 April 1, 2024, of 24.0 25.75 cents per share (equivalent to 96.0 cents \$1.03 per annum).

## **8. Acquisitions, Development Developments and Divestitures**

### **Acquisitions** *(PPL)*

#### **Acquisitions**

##### Acquisition of Narragansett Electric

On May 25, 2022, PPL Rhode Island Holdings acquired 100% of the outstanding shares of common stock of Narragansett Electric from National Grid USA, a subsidiary of National Grid plc (the Acquisition) for approximately \$3.8 billion. Following the closing of the Acquisition, Narragansett Electric provides services doing business under the name Rhode Island Energy (RIE).

In connection with the Acquisition, National Grid USA Service Company, Inc., National Grid USA and Narragansett Electric have entered into a transition services agreement (TSA), pursuant to which the National Grid has entities have agreed to provide certain transition services to Narragansett Electric to facilitate the transition of the operation of Narragansett Electric to PPL following

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the Acquisition, as agreed upon in the Narragansett share purchase agreement. The TSA is for an initial two-year

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term and is subject certain aspects have been extended to extension as necessary to complete the successful transition. third quarter of 2024. TSA costs of \$59 \$48 million and \$179 \$58 million were incurred during the three and nine months ended September 30, 2023. March 31, 2024 and 2023.

Commitments to the Rhode Island Division of Public Utilities and Carriers and the Attorney General of the State of Rhode Island

As a condition to the Acquisition, PPL made certain commitments to the Rhode Island Division of Public Utilities and Carriers and the Attorney General of the State of Rhode Island. See Note 9 in PPL's 2022 2023 Form 10-K for a complete listing of those commitments. PPL incurred the following expenses related to some of the remaining commitments for the three and nine months ended September 30, 2023: commitments:

- RIE will forgo potential recovery of any and all transition costs which includes (1) the installation of certain information technology systems; (2) modification and enhancements to physical facilities in Rhode Island; and (3) incurring costs related to severance payments, communications and branding changes, and other transition related costs. These costs, which are being expensed as incurred, were \$69 \$81 million and \$193 \$54 million for the three and nine months ended September 30, 2023. March 31, 2024 and 2023.
- RIE will not seek to recover in rates any markup charged by National Grid USA and/or its affiliates under the TSA which were \$2 \$1 million and \$6 \$2 million for the three and nine months ended September 30, 2023. March 31, 2024 and 2023.

Purchase Price AllocationDevelopments (PPL, LG&E and KU)

The operations Mill Creek Unit 5 Construction

In December 2022, LG&E and KU filed a Certificate of Narragansett Electric are subject Public Convenience and Necessity (CPCN) with the KPSC requesting approval to construct a 640 MW net summer rating Natural Gas Combined Cycle (NGCC) combustion turbine at LG&E's Mill Creek Generating Station. In November 2023, the KPSC issued an order approving the request as well as the requested AFUDC accounting treatment for associated financing costs relating to the accounting for certain types of regulation as prescribed NGCC. The new NGCC facility will be jointly owned by GAAP. The carrying value of Narragansett Electric's assets LG&E (31%) and liabilities subject KU (69%). In February 2024, LG&E and KU entered into agreements to rate-setting and cost recovery provisions provide revenues derived from begin construction. Total project costs are estimated at approximately \$1.0 billion, including a return on investment of net assets and liabilities included in rate base. Therefore, the fair values of these assets and liabilities equal their carrying values. Accordingly, neither the assets acquired nor liabilities assumed reflect any adjustments related to these amounts.

During the nine months ended September 30, 2023, the allocation AFUDC. Commercial operation of the purchase price facility is anticipated to the assets acquired and liabilities assumed recorded in PPL's Consolidated Balance Sheet was adjusted, resulting in a net decrease to goodwill of \$1 million. The one-year measurement period and the allocation of the purchase price was completed during the second quarter of 2023. Total goodwill resulting from the acquisition was \$1,585 million. PPL has elected to not reflect the effects of purchase accounting in the separate financial statements of RIE or PPL's Rhode Island Regulated segment. Accordingly, the Rhode Island Regulated segment includes \$725 million of acquired legacy goodwill. The remaining excess purchase price of \$860 million is included in PPL's Corporate and Other category for segment reporting purposes. begin mid-2027.

See Note 9 7 in the PPL's 2022 2023 Form 10-K for additional information regarding on the purchase price allocation of Narragansett Electric. CPCN filing.

Divestitures

Sale of Safari Holdings

On September 29, 2022, PPL signed a definitive agreement to sell all of Safari Holdings membership interests to Aspen Power Services, LLC (Aspen Power). On November 1, 2022, PPL completed the sale of Safari Holdings (the Transaction).

Final closing adjustments were substantially completed in the first quarter of 2023, resulting in an increase to the loss on sale of \$6 million (\$5 million net of tax), which was recorded in "Other operation and maintenance" on the Statements of Income for the nine months ended September 30, 2023. An impairment charge of \$67 million (\$50 million net of tax benefit) was recorded in "Other operation and maintenance" on the Statements of Income for the three and nine months ended September 30, 2022.

In connection with the closing of the Transaction, PPL provided certain guarantees and other assurances. See Note 10 for additional information.

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9. Defined Benefits

(PPL)

Certain net periodic defined benefit costs are applied to accounts that are further distributed among capital, expense, regulatory assets and regulatory liabilities, including certain costs allocated to applicable subsidiaries for plans sponsored by PPL Services and LKE. Following are the net periodic defined benefit costs (credits) of the plans sponsored by PPL and its subsidiaries for the periods ended September 30; March 31:

| Pension Benefits |
|------------------|
| Pension          |
| Benefits         |

|   |  | Pension Benefits |       |             |       |              |      |
|---|--|------------------|-------|-------------|-------|--------------|------|
|   |  | Pension Benefits |       |             |       |              |      |
| PPL   | PPL  | Three Months     |       | Nine Months |       | Three Months |      |
|   |  | 2023             | 2022  | 2023        | 2022  | 2024         | 2023 |
|   |  |                  |       |             |       |              |      |
| Service cost  |  |                  |       |             |       |              |      |
| Service cost  |  |                  |       |             |       |              |      |
| Service cost  | Service cost                                 | \$ 8             | \$ 11 | \$ 25       | \$ 36 |              |      |
| Interest cost   | Interest cost                                | 47               | 33    | 141         | 95    |              |      |
| Expected return on plan assets                                  | Expected return on plan assets               | (77)             | (62)  | (232)       | (189) |              |      |
| Amortization of:  | Amortization of:                             |                  |       |             |       |              |      |
| Prior service cost  | Prior service cost                           | 2                | 2     | 5           | 6     |              |      |
| Prior service cost  |  |                  |       |             |       |              |      |
| Prior service cost  |  |                  |       |             |       |              |      |
| Actuarial loss  | Actuarial loss                               | 1                | 11    | 2           | 40    |              |      |
| Net periodic defined benefit costs (credits) before settlements |  | (19)             | (5)   | (59)        | (12)  |              |      |
| Settlements (a)   |  | —                | 7     | —           | 19    |              |      |
| Net periodic defined benefit costs (credits)                    | Net periodic defined benefit costs (credits) | \$(19)           | \$ 2  | \$(59)      | \$ 7  |              |      |
| Net periodic defined benefit costs (credits)                    |  |                  |       |             |       |              |      |
| Net periodic defined benefit costs (credits)                    |  |                  |       |             |       |              |      |

(a) Due to the amount of lump sum payment distributions from the LKE qualified pension plan, settlement charges were incurred during the three and nine months ended, September 30, 2022. In accordance with existing regulatory accounting treatment, LG&E and KU have primarily maintained the settlement charge in regulatory assets to be amortized over 15 years.

| PPL  | Other Postretirement Benefits |        |             |        |
|--|-------------------------------|--------|-------------|--------|
|  | Three Months                  |        | Nine Months |        |
|  | 2023                          | 2022   | 2023        | 2022   |
|  |                               |        |             |        |
| Service cost                                 | \$ 1                          | \$ 1   | \$ 4        | \$ 4   |
| Interest cost                                | 8                             | 3      | 23          | 11     |
| Expected return on plan assets               | (7)                           | (5)    | (22)        | (17)   |
| Amortization of:                             |                               |        |             |        |
| Prior service cost                           | —                             | —      | 1           | 1      |
| Actuarial loss                               | (1)                           | —      | (4)         | (2)    |
| Net periodic defined benefit costs (credits) | \$ 1                          | \$ (1) | \$ 2        | \$ (3) |

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|  | Other Postretirement Benefits |      |
|--|-------------------------------|------|
|  | Three Months                  |      |
|  | 2024                          | 2023 |
| <b>PPL</b>                                   |                               |      |
| Service cost                                 | \$ 1                          | \$ 2 |
| Interest cost                                | 7                             | 7    |
| Expected return on plan assets               | (7)                           | (8)  |
| Amortization of:                             |                               |      |
| Actuarial loss                               | (1)                           | (1)  |
| Net periodic defined benefit costs (credits) | \$ —                          | \$ — |

(All Registrants)

The non-service cost components of net periodic defined benefit costs (credits) (interest cost, expected return on plan assets, amortization of prior service cost and amortization of actuarial gain and loss) are presented in "Other Income (Expense) - net" on the Statements of Income. See Note 12 for additional information.

10. Commitments and Contingencies

Long-term Contracts for Renewable Energy (PPL)

In July 2022, Rhode Island passed an amendment to the Affordable Clean Energy Security Act (ACES) that required RIE to issue a request for proposals (RFP) for at least 600 MW but no greater than 1,000 MW of newly developed offshore wind capacity no later than October 15, 2022. The RFP was issued on October 14, 2022, following a public comment period, and subsequently revised on November 7, 2022. On March 17, 2023, RIE announced that it will evaluate a joint proposal from Orsted and Eversource to develop 884 MW of offshore wind, which was the sole response to RIE's RFP. On July 18, 2023, RIE announced it would not be proceeding with conditional selection of the bid because it did not meet the terms of the ACES statute. RIE filed its supporting documentation with the RIPUC on September 27, 2023. The RIPUC is required to issue its Order within 90 days of that filing.

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Legal Matters

(All Registrants)

PPL and its subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business. PPL and its subsidiaries cannot predict the outcome of such matters, or whether such matters may result in material liabilities, unless otherwise noted.

Talen Litigation

Background (PPL)

In September 2013, one of PPL's former subsidiaries, PPL Montana entered into an agreement to sell its hydroelectric generating facilities. In June 2014, PPL and PPL Energy Supply, the parent company of PPL Montana, entered into various definitive agreements with affiliates of Riverstone to spin off PPL Energy Supply and ultimately combine it with Riverstone's competitive power generation businesses to form a stand-alone company named Talen Energy. In November 2014, after executing the spinoff agreements but prior to the closing of the spinoff transaction, PPL Montana closed the sale of its hydroelectric generating facilities. Subsequently, on June 1, 2015, the spinoff of PPL Energy Supply was completed. Following the spinoff transaction, PPL had no continuing ownership interest in or control of PPL Energy Supply. In connection with the spinoff transaction, PPL Montana became Talen Montana, LLC (Talen Montana), a subsidiary of Talen Energy and Talen Energy Marketing, LLC also became a subsidiary of Talen Energy. Talen Energy has owned and operated both Talen Montana and Talen Energy Marketing, LLC since the spinoff. At the time of the spinoff, affiliates of Riverstone acquired a 35% ownership interest in Talen Energy. Riverstone subsequently acquired the remaining interests in Talen Energy in a take private transaction in December 2016.

In October 2018, Talen Montana Retirement Plan and Talen Energy Marketing, LLC filed a putative class action complaint on behalf of current and contingent creditors of Talen Montana (the Montana Action) who allegedly suffered harm or allegedly will suffer reasonably foreseeable harm as a result of, among other things, the November 2014 allegedly fraudulent transfer of proceeds from the sale of then-PPL Montana's hydroelectric generating facilities.

In November 2018, PPL, certain PPL affiliates, and certain current and former officers and directors (PPL plaintiffs) filed a complaint in the Court of Chancery of the State of Delaware seeking various forms of relief against Riverstone, Talen Energy and certain of their affiliates (the Delaware Action), in response to the Montana Action and as part of the defense strategy.

Talen Energy Supply, LLC et al. andTalen Montana LLC v. PPL Corp., PPL Capital Funding, Inc., PPL Electric Utilities Corp., and PPL Energy Funding (PPL and PPL Electric)

On May 9, 2022, Talen Energy Supply, LLC and 71 affiliates, including Talen Montana, LLC, filed petitions for protection under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas (Texas Bankruptcy Court).

On May 10, 2022, Talen Montana, LLC, as debtor-in-possession, filed a complaint initiating an adversary proceeding (Adversary Proceeding) in the Texas Bankruptcy Court against PPL Corporation, PPL Capital Funding, Inc., PPL Electric Utilities Corporation, and PPL Energy Funding Corporation. Similar to the litigation in Montana, the Adversary Proceeding seeks the recovery of an allegedly fraudulent transfer relating to PPL Montana's November 2014 sale of hydroelectric assets to Northwestern and subsequent distribution of certain proceeds of that sale of approximately \$900 million, reiterating claims that the parties had already been litigating in Montana and Delaware.

Both the Montana Action and the Delaware Action have now been transferred to and consolidated in the Texas Bankruptcy Court. PPL has filed its Answer and asserted a Counterclaim against the Talen and Riverstone entities, similar to the claims previously asserted in the Delaware Action, and has filed a motion for partial summary judgment that was heard on October 31, 2022. Mediation occurred on February 22, 2023 before Judge David R. Jones of the Texas Bankruptcy Court. The parties did not settle the case, and mediation was discontinued. On June 14, 2023, the Texas Bankruptcy Court entered an Order denying the defendants' motion for partial summary judgment.

A hearing on Riverstone's motion for summary judgment occurred on August 24, 2023. The court ordered supplemental briefing from each party following the hearing. Defendants filed a second partial motion for summary judgment based on a safe

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harbor provision in the bankruptcy code on September 29, 2023, and that motion is set for hearing on December 19, 2023. Trial is set to begin on February 7, 2024, in Houston.

PPL believes that the 2014 distribution of proceeds was made in compliance with all applicable laws and that PPL Montana was solvent at all relevant times. Additionally, the agreements entered into in connection with the spinoff, which PPL and affiliates of Talen Energy and Riverstone negotiated and executed prior to the 2014 distribution, directly address the treatment of the proceeds from the sale of PPL Montana's hydroelectric generating facilities; in those agreements, Talen Energy and Riverstone definitively agreed that PPL was entitled to retain the proceeds.

PPL believes that it has meritorious defenses to the claims made in the Adversary Proceeding and intends to vigorously defend against this action. At this time, PPL cannot predict the outcome of the Adversary Proceeding or estimate the range of possible losses, if any, that PPL might incur as a result of the claims, although they could be material.

#### [Narragansett Electric Litigation \(PPL\)](#)

##### *Energy Efficiency Programs Investigation*

Narragansett Electric, while under the ownership of National Grid, performed an internal investigation into conduct associated with its energy efficiency programs. On June 27, 2022, the RIPUC opened a new docket (RIPUC Docket No. 22-05-EE) to investigate RIE's actions and the actions of its employees of National Grid employees USA and affiliates during the time RIE was a National Grid USA affiliate being provided services by National Grid USA Service Company, Inc. relating to the manipulation of the reporting of invoices affecting the calculation of past energy efficiency shareholder incentives and the resulting impact on customers. The Rhode Island Attorney General and National Grid USA intervened in the docket.

On January 19, 2023, the Rhode Island Division of Public Utilities and Carriers (the Division) filed a motion to dismiss RIPUC Docket No. 22-05-EE without prejudice. As grounds for its motion, the Division stated that sufficient evidence exists in the docket to warrant an independent summary investigation by the Division, to include an audit of RIE, pursuant to Rhode Island General Laws Section 39-4-13. RIE. If the Division finds sufficient grounds, the Division may proceed to a formal hearing regarding the matters under investigation pursuant to Rhode Island General Laws Sections 39-4-14 and 39-4-15. investigation. Upon the conclusion of its investigation, the Division will provide the RIPUC with a report outlining the Division's findings and final decision. On January 30, 2023, the Rhode Island Attorney General filed an objection to the Division's motion to dismiss; RIE and National Grid USA each filed responses with the RIPUC requesting that any additional action taken by the RIPUC or the Division be considered after National Grid USA completes its internal investigation report, which National Grid USA filed with the RIPUC on March 10, 2023. On February 24, 2023, the Division initiated the independent summary investigation that it had referenced in its motion to dismiss RIPUC Docket No. 22-05-EE. dismiss. The RIPUC held a hearing on March 28, 2023 to hear oral arguments regarding the Division's motion to dismiss and subsequently denied the motion. On November 27, 2023, the Division filed testimony recommending the RIPUC Docket No. 22-05-EE disallow a portion of the performance incentive awarded from 2012 through 2021. On January 19, 2024, the Division and the Rhode Island Attorney General filed their respective briefs recommending that the RIPUC assess financial penalties on the Company. The Division also recommended that the RIPUC consider further regulatory investigations and analysis within each of the energy efficiency dockets from 2012 through 2020, to confirm the accuracy of claimed savings and to document all conduct and actions that would trigger penalties. On April 2, 2024, the RIPUC issued an amended order that expressly expands the scope of the proceeding to address issues of accountability and the question of whether statutory penalties should be assessed against RIE relating to the manipulation of the reporting of invoices affecting the recovery of past shareholder incentives and the resulting impact on RIE's customers. This proceeding remains open and, in parallel, the

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Division's summary investigation remains ongoing. At this time, it is not possible to predict the final outcome or determine the total amount of any additional liabilities that may be incurred by RIE in connection with RIPUC Docket No. 22-05-EE this matter or the Division's summary investigation. RIE does not expect this matter will have a material adverse effect on its results of operations, financial position or cash flows.

#### [E.W. Brown Environmental Assessment \(PPL and KU\)](#)

KU is undertaking extensive remedial measures at the E.W. Brown plant including closure of the former ash pond, implementation of a groundwater remedial action plan and performance of a corrective action plan including aquatic study of adjacent surface waters and risk assessment. The aquatic study and risk assessment are being undertaken



pursuant to a 2017 agreed Order with the Kentucky Energy and Environment Cabinet (KEEC). KU conducted sampling of Herrington Lake in 2017 and 2018. In June 2019, KU submitted to the KEEC the required aquatic study and risk assessment, conducted by an independent third-party consultant, finding that discharges from the E.W. Brown plant have not had any significant impact on Herrington Lake and that the water in the lake is safe for recreational use and meets safe drinking water standards. On May 31, 2021, the KEEC approved the report and released a response to public comments. On August 6, 2021, KU submitted a *Supplemental Remedial Alternatives Analysis* report to the KEEC that outlines proposed additional fish, water, and sediment testing. On February 18, 2022, the KEEC provided approval to KU to proceed with the proposed sampling, which commenced in the spring of 2022. On November 17, 2022, KU submitted a *Supplemental Performance Monitoring Report* to the KEEC finding that there are no significant unaddressed risks to human health or the environment at the plant. KU revised the *Supplemental Performance Monitoring Report* on June 8, 2023, in response to KEEC comments from April 24, 2023. On September 1, 2023, the KEEC requested KU to propose additional monitoring or remedial measures. **KU submitted a revised *Supplemental Performance Monitoring and Corrective Action Completion* on December 28, 2023.** Discussions between KU and the KEEC are ongoing.

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### [Water/Waste \(PPL, LG&E and KU\)](#)

#### ELGs

In 2015, the EPA finalized ELGs for wastewater discharge permits for new and existing steam electricity generating facilities. These guidelines require deployment of additional control technologies providing physical, chemical and biological treatment and mandate operational changes including "zero discharge" requirements for certain wastewaters. The implementation date for individual generating stations was to be determined by the states on a case-by-case basis according to criteria provided by the EPA. Legal challenges to the final rule were consolidated before the U.S. Court of Appeals for the Fifth Circuit. In April 2017, the EPA announced that it would grant petitions for reconsideration of the rule. In September 2017, the EPA issued a rule to postpone the compliance date for certain requirements. In October 2020, the EPA published final revisions to its best available technology standards for certain wastewaters and potential extensions to compliance dates (the Reconsideration Rule). **In March 2023, On April 25, 2024, the EPA released a proposed pre-publication version of a final rule that would modify modifying the 2020 ELG revisions.** The **proposed rule would increase increases** the stringency of previous control technology and zero discharge requirements, **revise revises** certain exemptions for generating units planned for retirement, and **require requires** case-by-case limitations for legacy wastewaters based on the best professional judgment of the state regulators. **Compliance with the Reconsideration Rule is required during the pendency of the rulemaking process.** The **proposed final rule** is currently under evaluation by PPL, LG&E, and KU, but could potentially result in significant operational changes and additional controls for LG&E and KU plants. The ELGs are expected to be implemented by the states or applicable permitting authorities in the course of their normal permitting activities. **LG&E and KU are currently implementing responsive compliance strategies and schedules. Certain aspects of these compliance plans and estimates relate to developments in state water quality standards, which are separate from the ELG rule or its implementation.** Certain costs are included in the Registrants' capital plans and expected to be recovered from customers through rate recovery mechanisms, but additional costs and recovery will depend on further regulatory developments at the state level.

#### CCRs

In 2015, the EPA issued a final rule governing management of CCRs which include fly ash, bottom ash and sulfur dioxide scrubber wastes. The CCR Rule imposes extensive new requirements for certain CCR impoundments and landfills, including public notifications, location restrictions, design and operating standards, groundwater monitoring and corrective action requirements, and closure and post-closure care requirements, and specifies restrictions relating to the beneficial use of CCRs. In July 2018, the EPA issued a final rule extending the deadline for closure of certain impoundments and adopting other substantive changes. In August 2018, the D.C. Circuit Court of Appeals vacated and remanded portions of the CCR Rule. In December 2019, the EPA addressed certain deficiencies identified by the court and proposed amendments to change the closure deadline. In August 2020, the EPA published a final rule extending the deadline to initiate closure to April 11, 2021, while providing for certain extensions. **The EPA is conducting ongoing rulemaking actions regarding various other amendments to the rule including potentially making the rule applicable to certain inactive impoundments and landfills not currently subject to the rule. Certain ongoing legal challenges to various provisions of the CCR Rule have been held in abeyance pending review by the EPA pursuant to the President's executive order.** PPL, LG&E, and KU are monitoring the EPA's ongoing efforts to refine and implement the regulatory program under the CCR Rule. In January 2022, the EPA issued several proposed regulatory determinations, facility notifications, and public announcements which indicate increased scrutiny by the EPA to determine the adequacy of measures

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taken by facility owners and operators to achieve closure of CCR surface impoundments and landfills. In particular, the agency indicated that it will focus on certain practices which it views as posing a threat of continuing groundwater contamination. On **May 18, 2023 April 25, 2024, the EPA published released a proposed pre-publication version of a final rule establishing regulatory requirements for inactive surface impoundments at inactive electricity generation facilities, facilities (legacy impoundments).** **The EPA proposes to establish rule also establishes identification, groundwater monitoring, corrective action, closure, and post-closure care requirements for all CCR management units, as defined in the rule, at regulated CCR facilities regardless of how or when the CCR was placed.** The **proposed rule if finalized, would require also requires** PPL to complete applicability determinations, implement site security measures, initiate weekly inspections and monthly monitoring of the impoundment, create a website, and complete hazard assessments and reports for its legacy **impoundments within three months of the proposed rule's effective date, impoundments.** Additionally, the **proposed rule** could potentially subject management units that have previously completed remedial action and closure and certain beneficial use projects to additional federal regulatory requirements. Future guidance, regulatory determinations, rulemakings, **implementation determinations** and other developments could potentially require revisions to current LG&E and KU compliance plans including additional monitoring and remediation at surface impoundments and landfills, the cost of which could be substantial. PPL, LG&E and KU are unable to predict the outcome of the ongoing litigation, rulemaking, and regulatory determinations or potential impacts on current LG&E and KU compliance plans. PPL, LG&E and KU are currently finalizing **or revising** closure plans and schedules in accordance with **existing applicable** regulations.

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In January 2017, Kentucky issued a new state rule relating to CCR management, effective May 2017, aimed at reflecting the requirements of the federal CCR rule. As a result of a subsequent legal challenge, in January 2018, the Franklin County, Kentucky Circuit Court issued an opinion invalidating certain procedural elements of the rule. LG&E and KU presently operate their facilities under continuing permits authorized under the former program and do not currently anticipate material impacts as a result of the judicial ruling. Associated costs are expected to be subject to rate recovery.

LG&E and KU received KPSC approval for a compliance plan providing for the closure of impoundments at the Mill Creek, Trimble County, E.W. Brown, and Ghent stations, and construction of process water management facilities at those plants. In addition to the foregoing measures required for compliance with the federal CCR rule, KU also received KPSC approval for its plans to close impoundments at the retired Green River, Pineville and Tyrone plants to comply with applicable state law. LG&E and KU have completed planned closure measures at most of the subject impoundments and have commenced post closure groundwater monitoring as required at those facilities. LG&E and KU generally expect to complete all impoundment closures within five years of commencement, although a longer period may be required to complete closure of some facilities. Associated costs are expected to be subject to rate recovery.

In connection with the final CCR rule, LG&E and KU recorded adjustments to existing AROs beginning in 2015 and continue to record adjustments as required. See Note 15 for additional information. Further changes to AROs, current capital plans or operating costs may be required as estimates are refined based on closure developments, groundwater monitoring results, and regulatory or legal proceedings. Costs relating to this rule are expected to be subject to rate recovery.

#### Superfund and Other Remediation

*(All Registrants)*

The Registrants are potentially responsible for investigating and remediating contamination under the federal Superfund program and similar state programs. Actions are under way at certain sites including former coal gas manufacturing plants in Pennsylvania, Rhode Island and Kentucky previously owned or operated by, or currently owned by predecessors or affiliates of, PPL subsidiaries.

Depending on the outcome of investigations at identified sites where investigations have not begun or been completed, or developments at sites for which information is incomplete, additional costs of remediation could be incurred. PPL, PPL Electric, LG&E and KU lack sufficient information about such additional sites to estimate any potential liability or range of reasonably possible losses, if any, related to these sites. Such costs, however, are not currently expected to be significant.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of coal gas manufacturing. As a result, individual states may establish stricter standards for water quality and soil cleanup, that could require several PPL subsidiaries to take more extensive assessment and remedial actions at former coal gas manufacturing plants. The Registrants cannot reasonably estimate a range of possible losses, if any, related to these matters.

*(PPL and PPL Electric)*

PPL Electric is a potentially responsible party for a share of clean-up costs at certain sites including the Columbia Gas Plant site and the Brodhead site. Cleanup actions have been or are being undertaken at these sites as requested by governmental agencies, the costs of which have not been and are not expected to be significant to PPL Electric.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, PPL Electric had a recorded liability of \$11 \$8 million, representing its best estimate of the probable loss incurred to remediate the sites identified above. these sites.

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*(PPL)*

RIE is a potentially responsible party for a share of clean-up costs at certain sites including former manufactured gas plant (MGP) facilities formerly owned by the Blackstone Valley Gas and Electric Company and the Rhode Island gas distribution assets of the New England Gas division of Southern Union Company and electric operations at certain RIE facilities. RIE is currently investigating and remediating, as necessary, those MGP sites and certain other properties under agreements with governmental agencies, the costs of which have not been and are not expected to be significant to PPL.

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As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, PPL had a recorded liability of \$100 \$98 million and \$99 million, representing its best estimate of the remaining costs of RIE's environmental remediation activities. These undiscounted costs are expected to be incurred over approximately 30 years and generally to be subject to rate recovery. However, remediation costs for each site may be materially higher than estimated, depending on changing technologies and regulatory standards, selected end uses for each site, and actual environmental conditions encountered. RIE has recovered amounts from certain insurers and potentially responsible parties, and, where appropriate, may seek additional recovery from other insurers and from other potentially responsible parties, but it is uncertain whether, and to what extent, such efforts will be successful.

The RIPUC has approved two settlement agreements that provide for rate recovery of qualified remediation costs of certain contaminated sites located in Rhode Island and Massachusetts. Rate-recoverable contributions for electric operations of approximately \$3 million are added annually to RIE's Environmental Response Fund, established with RIPUC approval in March 2000 to address such costs, along with interest and any recoveries from insurance carriers and other third parties. In addition, RIE recovers approximately \$1 million annually for gas operations under a distribution adjustment charge in which the qualified remediation costs are amortized over 10 years. See Note 6 for additional information on RIE's recorded environmental regulatory assets and liabilities.

Regulatory Issues

(All Registrants)

See Note 6 for information on regulatory matters related to utility rate regulation.

Electricity - Reliability Standards

The NERC is responsible for establishing and enforcing mandatory reliability standards (Reliability Standards) regarding the bulk electric system in North America. The FERC oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk electric system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties for certain violations.

PPL Electric, LG&E, KU and RIE monitor their compliance with the Reliability Standards and self-report or self-log potential violations of applicable reliability requirements whenever identified, and submit accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Penalties incurred to date have not been significant. Any Regional Reliability Entity determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.

In the course of implementing their programs to ensure compliance with the Reliability Standards by those PPL affiliates subject to the standards, certain other instances of potential non-compliance may be identified from time to time. The Registrants cannot predict the outcome of these matters, and an estimate or range of possible losses cannot be determined.

Gas - Security Directives (PPL and LG&E)

In May and July of 2021, the Department of Homeland Security's (DHS) Transportation Security Administration (TSA) released two security directives applicable to certain notified owners and operators of natural gas pipeline facilities (including local distribution companies) that the TSA has determined to be critical. The TSA has determined that LG&E is within the scope of the directive, while RIE has not been notified of this distinction. The first security directive required notified owners/operators to implement cybersecurity incident reporting to the DHS, designate a cybersecurity coordinator, and perform a gap assessment of current entity cybersecurity practices against certain voluntary TSA security guidelines and report relevant results and proposed mitigation to applicable DHS agencies. The second security directive, revised in July of 2023, requires refinement

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of the cybersecurity implementation plan and the cybersecurity assessment plan. LG&E does not believe the security directives have had or will have a significant impact on LG&E's operations or financial condition.

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Other

Guarantees and Other Assurances

(All Registrants)

In the normal course of business, the Registrants enter into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Examples of such agreements include: guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance the creditworthiness attributed to a subsidiary on a stand-alone basis or to facilitate the commercial activities in which these subsidiaries engage.

(PPL)

PPL fully and unconditionally guarantees all of the debt securities and loan obligations of PPL Capital Funding.

(All Registrants)

The table below details guarantees provided as of September 30, 2023 March 31, 2024. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The Registrants believe the probability of expected payment/performance under each of these guarantees is remote, except for the guarantees and indemnifications related to the sale of Safari Holdings, which PPL believes are reasonably possible but not probable of occurring. For reporting purposes, on a consolidated basis, the guarantees of PPL include the guarantees of its subsidiary Registrants.

|                                |  | Expiration |
|--------------------------------|--|------------|
| Exposure at September 30, 2023 |  | Date       |
| Exposure at March 31, 2024     |  |            |
| Exposure at March 31, 2024     |  |            |
| Exposure at March 31, 2024     |  |            |

|  |  |    |     |     |      |
|--|--|----|-----|-----|------|
| <u>PPL</u>   |  |    |     |     |      |
| <u>PPL</u>   |  |    |     |     |      |
| <u>PPL</u>   | <u>PPL</u>   |    |     |     |      |
| Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business   | Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business   | £  | 50  | (a) | 2028 |
| Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business   |  |    |     |     |      |
| Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business   |  |    |     |     |      |
| PPL guarantee of Safari payment obligations under certain sale/leaseback financing transactions related to the sale of Safari Holdings                               | PPL guarantee of Safari payment obligations under certain sale/leaseback financing transactions related to the sale of Safari Holdings                               | \$ | 129 | (b) | 2028 |
| PPL guarantee of Safari payment obligations under certain PPAs related to the sale of Safari Holdings  |  |    |     |     |      |
|  |  |    |     |     |      |
| PPL guarantee of Safari payment obligations under certain sale/leaseback financing transactions related to the sale of Safari Holdings                               |  |    |     |     |      |
| PPL guarantee of Safari payment obligations under certain sale/leaseback financing transactions related to the sale of Safari Holdings                               |  |    |     |     |      |
| Indemnifications for losses suffered related to items not covered by Aspen Power's representation and warranty insurance associated with the sale of Safari Holdings |  |    |     |     |      |
| Indemnifications for losses suffered related to items not covered by Aspen Power's representation and warranty insurance associated with the sale of Safari Holdings |  |    |     |     |      |
| Indemnifications for losses suffered related to items not covered by Aspen Power's representation and warranty insurance associated with the sale of Safari Holdings | Indemnifications for losses suffered related to items not covered by Aspen Power's representation and warranty insurance associated with the sale of Safari Holdings |    | 140 | (d) | 2028 |
| <u>LG&amp;E and KU</u>   | <u>LG&amp;E and KU</u>   |    |     |     |      |
| <u>LG&amp;E and KU</u>   |  |    |     |     |      |
| <u>LG&amp;E and KU</u>   |  |    |     |     |      |
| LG&E and KU obligation of shortfall related to OVEC  | LG&E and KU obligation of shortfall related to OVEC  |    |     | (e) |      |
| LG&E and KU obligation of shortfall related to OVEC  |  |    |     |     |      |
| LG&E and KU obligation of shortfall related to OVEC  |  |    |     |     |      |

- (a) PPL WPD Limited, a PPL indirect U.K. subsidiary, entered into a Tax Deed dated June 9, 2021, in which it agreed to a tax indemnity regarding certain potential tax liabilities of the entities sold with respect to periods prior to the completion of the sale, subject to customary exclusions and limitations. Because National Grid Holdings One plc, the buyer, agreed to purchase indemnity insurance, the amount of the cap on the indemnity for these liabilities is £1, except with respect to certain surrenders of tax losses, for which the amount of the cap on the indemnity is £50 million.
- (b) PPL guaranteed the payment obligations of Safari under certain sale/leaseback financing transactions executed by Safari. These guarantees will remain in place until Safari exercises its option to buy-out the projects under the sale/leaseback financings by the year 2028. Safari will indemnify PPL for any payments made by PPL or claims against PPL under the sale/leaseback transaction guarantees up to \$25 million.
- (c) PPL guaranteed the payment obligations of Safari under certain PPAs executed by Safari. Aspen Power is expected to replace these guarantees and retain liability for any payments made by PPL or claims against PPL under any guarantee that is not replaced.
- (d) Aspen Power has obtained representation and warranty insurance, therefore, PPL generally has no liability for its representations and warranties under the agreement except for losses suffered related to items not covered. Pursuant to the agreement, expiration of these indemnifications range from 18 months to 6 years from the date of the closing of the transaction, and PPL's aggregate liability for these claims will not exceed \$140 million, pursuant to the agreement, subject to certain adjustments plus the support obligations provided by PPL under sale-leaseback financings and PPAs that will be replaced by Aspen Power, financings.
- (e) (d) Pursuant to the OVEC power purchase contract, LG&E and KU are obligated to pay for their share of OVEC's excess debt service, post-retirement, and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. PPL's proportionate share of OVEC's outstanding debt was \$88 \$86 million at September 30, 2023 March 31, 2024, consisting of LG&E's share of \$61 \$60 million and KU's share of \$27 \$26 million. The maximum exposure and the expiration date of these potential obligations are not presently determinable. See "Energy Purchase Commitments" in Note 14 13 in PPL's, LG&E's and KU's 2022 2023 Form 10-K for additional information on the OVEC power purchase contract.

The Registrants provide other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, no significant payments have been made with respect to these types of guarantees and the probability of payment/performance under these guarantees is generally remote.

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PPL, on behalf of itself and certain of its subsidiaries, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of \$225 million \$231 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

Risks and Uncertainties

Labor Union Agreement (PPL and LG&E)

LG&E and the IBEW local currently operate under a three-year collective bargaining agreement, which expires on November 10, 2023. The agreement covers approximately 600 employees. The parties commenced negotiations regarding a new collective bargaining agreement on October 16, 2023. PPL and LG&E cannot predict the outcome of this matter, including any future negotiations, agreements or other developments.

11. Related Party Transactions

Support Costs (PPL Electric, LG&E and KU)

PPL Services and LKS provide the Registrants, their respective subsidiaries and each other with administrative, management and support services. For all services companies, the costs of directly assignable and attributable services are charged to the respective recipients as direct support costs. General costs that cannot be directly attributed to a specific entity are allocated and charged to the respective recipients as indirect support costs. PPL Services and LKS use a three-factor methodology that includes the applicable recipients' invested capital, operation and maintenance expenses and number of employees to allocate indirect costs. PPL Services and LKS charged the following amounts for the periods ended September 30, March 31, including amounts applied to accounts that are further distributed between capital and expense on the books of the recipients, based on methods that are believed to be reasonable.

|          |          | Three Months |      | Nine Months |       |  |  | Three Months |  |  |      |
|----------|----------|--------------|------|-------------|-------|--|--|--------------|--|--|------|
|          |          | 2023         | 2022 | 2023        | 2022  |  |  | 2024         |  |  | 2023 |
| PPL      | PPL      |              |      |             |       |  |  |              |  |  |      |
| Electric | Electric |              |      |             |       |  |  |              |  |  |      |
| from     | from     |              |      |             |       |  |  |              |  |  |      |
| PPL      | PPL      |              |      |             |       |  |  |              |  |  |      |
| Services | Services | \$52         | \$51 | \$166       | \$172 |  |  |              |  |  |      |
| LG&E     | LG&E     |              |      |             |       |  |  |              |  |  |      |
| from     | from     |              |      |             |       |  |  |              |  |  |      |
| LKS      | LKS      | 25           | 34   | 85          | 114   |  |  |              |  |  |      |
| LG&E     | LG&E     |              |      |             |       |  |  |              |  |  |      |
| from     | from     |              |      |             |       |  |  |              |  |  |      |
| PPL      | PPL      |              |      |             |       |  |  |              |  |  |      |
| Services | Services | 10           | —    | 30          | —     |  |  |              |  |  |      |
| KU from  | KU from  |              |      |             |       |  |  |              |  |  |      |
| LKS      | LKS      | 35           | 39   | 110         | 125   |  |  |              |  |  |      |
| KU from  | KU from  |              |      |             |       |  |  |              |  |  |      |
| PPL      | PPL      |              |      |             |       |  |  |              |  |  |      |
| Services | Services | 11           | —    | 33          | —     |  |  |              |  |  |      |

In addition to the charges for services noted above, LKS makes payments on behalf of LG&E and KU for fuel purchases and other costs for products or services provided by third parties. LG&E and KU also provide services to each other and to LKS. Billings between LG&E and KU relate to labor and overheads associated with union and hourly employees performing work for the other company, charges related to jointly-owned generating units and other miscellaneous charges. Tax settlements between PPL and LG&E and KU are reimbursed through LKS.

Intercompany Borrowings

(PPL Electric)

CEP Reserves maintains a \$500 \$800 million revolving line of credit with a PPL Electric subsidiary. At September 30, 2023 and December 31, 2022 March 31, 2024, CEP Reserves had \$554 million of borrowings outstanding. At December 31, 2023, CEP Reserves had no borrowings outstanding. The interest rates on borrowings are equal to an adjusted one-month SOFR plus a spread. Interest income is reflected in "Interest Income from Affiliate" on the applicable Income Statements.

(LG&E and KU)

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to the difference between LG&E's FERC borrowing limit and LG&E's commercial paper issued at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At **September 30, 2023** **March 31, 2024**, LG&E's money pool unused capacity was **\$744** **\$722** million. At **September 30, 2023** **March 31, 2024** and **December 31, 2023**, LG&E had insignificant borrowings outstanding from KU and/or LKE of \$6 million. LKE. These balances are would be reflected in "Notes payable to affiliates" on the LG&E Balance Sheets. At **December 31, 2022**, LG&E had no borrowings outstanding from KU and/or LKE.

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KU participates in an intercompany money pool agreement whereby LKE and/or LG&E make available to KU funds up to the difference between KU's FERC borrowing limit and KU's commercial paper issued at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At **September 30, 2023** **March 31, 2024**, KU's money pool unused capacity was **\$604** **\$568** million. At **September 30, 2023** **March 31, 2024**, KU had borrowings outstanding from LG&E and/or LKE of **\$21** **37** million. These balances are reflected in "Notes payable to affiliates" on the KU Balance Sheets. At **December 31, 2022** **December 31, 2023**, KU had no borrowings outstanding from LG&E and/or LKE.

VEBA Funds Receivable (PPL Electric)

In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer [Table of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA, to be used to pay medical claims of active bargaining unit employees. Based on PPL Electric's participation in PPL's Other Postretirement Benefit plan, PPL Electric was allocated a portion of the excess funds from PPL Services. These funds have been recorded as an intercompany receivable on PPL Electric's Balance Sheets. The receivable balance decreases as PPL Electric pays incurred medical claims and is reimbursed by PPL Services. There was no intercompany receivable balance associated with these funds as of September 30, 2023, which would be reflected in "Accounts receivable from affiliates" on the PPL Electric Balance Sheets. The intercompany receivable balance associated with these funds was immaterial as of December 31, 2022.](#) [Contents](#)

12. Other Income (Expense) - net

(PPL)

The details of "Other Income (Expense) - net" for the periods ended **September 30**, **March 31**, were:

|  | Three Months |       | Nine Months |       |
|--|--------------|-------|-------------|-------|
|  | 2023         | 2022  | 2023        | 2022  |
| Defined benefit plans - non-service credits (Note 9) | \$ 13        | \$ 7  | \$ 30       | \$ 27 |
| Interest income (expense)                            | 4            | —     | 22          | (2)   |
| AFUDC - equity component                             | 7            | 8     | 21          | 17    |
| Charitable contributions                             | (1)          | (1)   | (3)         | (2)   |
| Miscellaneous (a)                                    | (7)          | (4)   | (19)        | (4)   |
| Other Income (Expense) - net                         | \$ 16        | \$ 10 | \$ 51       | \$ 36 |

(a) Includes legal expenses incurred and insurance reimbursements received related to litigation with a former affiliate, Talen Montana. See Note 10 for additional information.

|  | Three Months |       |
|--|--------------|-------|
|  | 2024         | 2023  |
| Defined benefit plans - non-service credits (Note 9) | \$ 8         | \$ 17 |
| Interest income                                      | 9            | 9     |
| AFUDC - equity component                             | 9            | 6     |
| Charitable contributions                             | (2)          | (1)   |
| Miscellaneous  | (2)          | (1)   |
| Other Income (Expense) - net                         | \$ 22        | \$ 30 |

(PPL Electric)

The details of "Other Income (Expense) - net" for the periods ended **September 30**, **March 31**, were:

|  | Three Months |      | Nine Months |      |
|--|--------------|------|-------------|------|
|  | 2023         | 2022 | 2023        | 2022 |
|  | 2024         |      |             |      |
|  | 2024         |      |             |      |
|  | 2024         |      |             |      |

|  |  |      |      |       |
|--|--|------|------|-------|
| Defined benefit plans - non-service credits          |  |      |      |       |
| (Note 9)   |  |      |      |       |
| Defined benefit plans - non-service credits          |  |      |      |       |
| (Note 9)   |  |      |      |       |
| Defined benefit plans - non-service credits (Note 9) | Defined benefit plans - non-service credits (Note 9) | \$ 5 | \$ 4 | \$ 15 |
| Interest income                                      | Interest income                                      | 1    | 1    | 6     |
| Interest income                                      |  |      |      |       |
| Interest income                                      |  |      |      |       |
| AFUDC - equity component                             |  |      |      |       |
| AFUDC - equity component                             |  |      |      |       |
| AFUDC - equity component                             | AFUDC - equity component                             | 4    | 4    | 12    |
| Charitable contributions                             | Charitable contributions                             | —    | —    | (2)   |
| Miscellaneous  |  | (2)  | (3)  | (2)   |
| Charitable contributions                             |  |      |      |       |
| Charitable contributions                             |  |      |      |       |
| Other Income (Expense) - net                         | Other Income (Expense) - net                         | \$ 8 | \$ 6 | \$ 29 |
| Other Income (Expense) - net                         |  |      |      |       |
| Other Income (Expense) - net                         |  |      |      |       |

13. Fair Value Measurements

(All Registrants)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A market approach (generally, data from market transactions), an income approach (generally, present value techniques and option pricing models) and/or a cost approach (generally, replacement cost) are used to measure the fair value of an asset or liability, as appropriate. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as

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applicable, certain risks such as nonperformance risk, which includes credit risk. The fair value of a group of financial assets and liabilities is measured on a net basis. See Note 1 in each Registrant's 2022 2023 Form 10-K for information on the levels in the fair value hierarchy.

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Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

| September 30, 2023 |  |  |  |  |  |  |  |  |  | December 31, 2022 |  |  |  |  |  |  |  |  |  |
|--------------------|--|--|--|--|--|--|--|--|--|-------------------|--|--|--|--|--|--|--|--|--|
| March 31, 2024     |  |  |  |  |  |  |  |  |  |                   |  |  |  |  |  |  |  |  |  |
| Level              |  |  |  |  |  |  |  |  |  | Level             |  |  |  |  |  |  |  |  |  |
| Level              |  |  |  |  |  |  |  |  |  | Level             |  |  |  |  |  |  |  |  |  |
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| Level              |  |  |  |  |  |  |  |  |  | Level             |  |  |  |  |  |  |  |  |  |
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|  |  |        |        |       |       |        |        |       |       |
|--|--|--------|--------|-------|-------|--------|--------|-------|-------|
| Restricted cash and cash equivalents (a)             | Restricted cash and cash equivalents (a)             | 1      | 1      | —     | —     | 1      | 1      | —     | —     |
| Total Cash, Cash Equivalents and Restricted Cash (b) | Total Cash, Cash Equivalents and Restricted Cash (b) | 354    | 354    | —     | —     | 357    | 357    | —     | —     |
| Special use funds (a):                               | Special use funds (a):                               |        |        |       |       |        |        |       |       |
| Money market fund                                    | Money market fund                                    | 1      | 1      | —     | —     | 1      | 1      | —     | —     |
| Money market fund                                    |  |        |        |       |       |        |        |       |       |
| Money market fund                                    |  |        |        |       |       |        |        |       |       |
| Commingled debt fund measured at NAV (c)             | Commingled debt fund measured at NAV (c)             | 10     | —      | —     | —     | 13     | —      | —     | —     |
| Commingled equity fund measured at NAV (c)           | Commingled equity fund measured at NAV (c)           | 9      | —      | —     | —     | 11     | —      | —     | —     |
| Total special use funds                              | Total special use funds                              | 20     | 1      | —     | —     | 25     | 1      | —     | —     |
| Price risk management assets (d):                    | Price risk management assets (d):                    |        |        |       |       |        |        |       |       |
| Gas contracts  | Gas contracts  | —      | —      | —     | —     | 25     | —      | 25    | —     |
| Gas contracts  |  |        |        |       |       |        |        |       |       |
| Gas contracts  |  |        |        |       |       |        |        |       |       |
| Total assets   | Total assets   | \$ 374 | \$ 355 | \$ —  | \$ —  | \$ 407 | \$ 358 | \$ 25 | \$ —  |
| Liabilities  |  |        |        |       |       |        |        |       |       |
| Liabilities  |  |        |        |       |       |        |        |       |       |
| Liabilities  | Liabilities  |        |        |       |       |        |        |       |       |
| Price risk management liabilities (d):               | Price risk management liabilities (d):               |        |        |       |       |        |        |       |       |
| Interest rate swaps                                  | Interest rate swaps                                  | \$ 3   | \$ —   | \$ 3  | \$ —  | \$ 7   | \$ —   | \$ 7  | \$ —  |
| Gas contracts  | Gas contracts  | 34     | —      | 23    | 11    | 66     | —      | 10    | 56    |
| Total price risk management liabilities              | Total price risk management liabilities              | \$ 37  | \$ —   | \$ 26 | \$ 11 | \$ 73  | \$ —   | \$ 17 | \$ 56 |
| PPL Electric   | PPL Electric   |        |        |       |       |        |        |       |       |
| PPL Electric   |  |        |        |       |       |        |        |       |       |
| PPL Electric   |  |        |        |       |       |        |        |       |       |
| Assets   | Assets   |        |        |       |       |        |        |       |       |
| Cash and cash equivalents                            | Cash and cash equivalents                            | \$ 56  | \$ 56  | \$ —  | \$ —  | \$ 25  | \$ 25  | \$ —  | \$ —  |
| Total assets   | Total assets   | \$ 56  | \$ 56  | \$ —  | \$ —  | \$ 25  | \$ 25  | \$ —  | \$ —  |

Price risk management liabilities (d):



|  |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
|--|--|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|--------|
| Total assets   |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Total assets   |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| <u>LG&amp;E</u>                                      |  | <u>LG&amp;E</u>                         |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| <u>LG&amp;E</u>                                      |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| <u>LG&amp;E</u>                                      |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Assets   |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Assets   |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Assets   |  | Assets                                  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Cash and cash equivalents                            |  | Cash and cash equivalents               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
|  |  | \$                                      | 8  | \$ | 8  | \$ | —  | \$ | —  | \$ | 93 | \$ | 93 | \$ | —  | \$ | —  |        |
| Cash and cash equivalents                            |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Cash and cash equivalents                            |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Restricted cash and cash equivalents (a)             |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Total Cash, Cash Equivalents and Restricted Cash (b) |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Total assets   |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Total assets   |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Total assets   |  | Total assets                            | \$ | 8  | \$ | 8  | \$ | —  | \$ | —  | \$ | 93 | \$ | 93 | \$ | —  | \$ | —      |
| Liabilities  |  | Liabilities                             |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Liabilities  |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Liabilities  |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Price risk management liabilities:                   |  | Price risk management liabilities:      |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Price risk management liabilities:                   |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Price risk management liabilities:                   |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Interest rate swaps                                  |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Interest rate swaps                                  |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Interest rate swaps                                  |  | Interest rate swaps                     |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
|  |  | \$                                      | 3  | \$ | —  | \$ | 3  | \$ | —  | \$ | 7  | \$ | —  | \$ | 7  | \$ | —  |        |
| Total price risk management liabilities              |  | Total price risk management liabilities |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
|  |  | \$                                      | 3  | \$ | —  | \$ | 3  | \$ | —  | \$ | 7  | \$ | —  | \$ | 7  | \$ | —  |        |
| <u>KU</u>  |  | <u>KU</u>                               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| <u>KU</u>  |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| <u>KU</u>  |  |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
| Assets   |  | Assets                                  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    | Assets |
| Cash and cash equivalents                            |  | Cash and cash equivalents               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |        |
|  |  | \$                                      | 8  | \$ | 8  | \$ | —  | \$ | —  | \$ | 21 | \$ | 21 | \$ | —  | \$ | —  |        |



be significant to the overall inputs, the entire valuation is classified as Level 3. This includes derivative instruments valued using indicative price quotations whose contract tenure extends into unobservable periods. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility, and contract duration. Such instruments are classified as in Level 3 as the model inputs generally are not observable. RIE considers non-performance risk and liquidity risk in the valuation of derivative instruments classified as Level 2 and Level 3.

The significant unobservable inputs used in the fair value measurement of the gas derivative instruments are implied volatility and gas forward curves. A relative change in commodity price at various locations underlying the open positions can result in significantly different fair value estimates.

Financial Instruments Not Recorded at Fair Value (All Registrants)

Long-term debt is classified as Level 2. The effect of third-party credit enhancements is not included in the fair value measurement. The carrying amounts of long-term debt on the Balance Sheets and their estimated fair values are set forth below.

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|          |          | September 30,<br>2023     |               | December 31,<br>2022      |               | March 31, 2024         |            | December 31, 2023      |            |
|----------|----------|---------------------------|---------------|---------------------------|---------------|------------------------|------------|------------------------|------------|
|          |          | Carrying<br>Amount<br>(a) | Fair<br>Value | Carrying<br>Amount<br>(a) | Fair<br>Value |                        |            |                        |            |
|          |          |                           |               |                           |               | Carrying<br>Amount (a) | Fair Value | Carrying<br>Amount (a) | Fair Value |
| PPL      | PPL      | \$14,575                  | \$13,027      | \$13,243                  | \$12,239      |                        |            |                        |            |
|          | PPL      |                           |               |                           |               |                        |            |                        |            |
| Electric | Electric | 4,656                     | 4,185         | 4,486                     | 4,259         |                        |            |                        |            |
| LG&E     | LG&E     | 2,404                     | 2,150         | 2,307                     | 2,128         |                        |            |                        |            |
| KU       | KU       | 3,004                     | 2,594         | 2,920                     | 2,616         |                        |            |                        |            |

(a) Amounts are net of debt issuance costs.

The carrying amounts of other current financial instruments (except for long-term debt due within one year) approximate their fair values because of their short-term nature.

14. Derivative Instruments and Hedging Activities

(All Registrants)

Risk Management Objectives

PPL has a risk management policy approved by the Board of Directors to manage market risk associated with commodities, interest rates on debt issuances (including price, liquidity and volumetric risk) and credit risk (including non-performance risk and payment default risk). The Risk Management Committee, comprised of senior management and chaired by the Senior Director-Risk Management, Vice President-Financial Strategy and Chief Risk Officer, oversees the risk management function. Key risk control activities designed to ensure compliance with the risk policy and detailed programs include, but are not limited to, credit review and approval, validation of transactions, verification of risk and transaction limits, value-at-risk analyses (VaR, a statistical model that attempts to estimate the value of potential loss over a given holding period under normal market conditions at a given confidence level) and the coordination and reporting of the Enterprise Risk Management program.

Market Risk

Market risk includes the potential loss that may be incurred as a result of price changes associated with a particular financial or commodity instrument as well as market liquidity and volumetric risks. Forward contracts, futures contracts, options, swaps and structured transactions are utilized as part of risk management strategies to minimize unanticipated fluctuations in earnings caused by changes in commodity prices and interest rates. Many of these contracts meet the definition of a derivative. All derivatives are recognized on the Balance Sheets at their fair value, unless NPNS is elected.

The following summarizes the market risks that affect PPL and its subsidiaries.

Interest Rate Risk

- PPL and its subsidiaries are exposed to interest rate risk associated with forecasted fixed-rate and existing floating-rate debt issuances. PPL and LG&E utilize over-the-counter interest rate swaps to limit exposure to market fluctuations on floating-rate debt. PPL, LG&E and KU utilize forward starting interest rate swaps to hedge changes in benchmark interest rates, when appropriate, in connection with future debt issuance.
- PPL and its subsidiaries are exposed to interest rate risk associated with debt securities and derivatives held by defined benefit plans. This risk is significantly mitigated to the extent that the plans are sponsored at, or sponsored on behalf of, the regulated utilities due to the recovery methods in place.

## Commodity Price Risk

PPL is exposed to commodity price risk through its subsidiaries as described below.

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is mitigated through its PAPUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply costs. These mechanisms generally provide for timely recovery of market price fluctuations associated with these costs.

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- RIE utilizes derivative instruments pursuant to its RIPUC-approved plan to manage commodity price risk associated with its natural gas purchases. RIE's commodity price risk management strategy is to reduce fluctuations in firm gas sales prices to its customers. RIE's costs associated with derivatives instruments are recoverable through its RIPUC-approved cost recovery mechanisms. RIE is required to purchase electricity to fulfill its obligation to provide Last Resort Service (LRS). Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms and full requirements service agreements to serve LRS customers, which transfer the risk to energy suppliers. RIE is required to contract through long-term agreements for clean energy supply under the Rhode Island Renewable Energy Growth program and Long-term Clean Energy Standard. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms, which true-up cost differences between contract prices and market prices.

## Volumetric Risk

Volumetric risk is the risk related to the changes in volume of retail sales due to weather, economic conditions or other factors. PPL is exposed to volumetric risk through its subsidiaries as described below:

- PPL Electric, LG&E and KU are exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.
- RIE is exposed to volumetric risk, which is significantly mitigated by regulatory mechanisms. RIE's electric and gas distribution rates both have a revenue decoupling mechanism, which allows for annual adjustments to RIE's delivery rates.

## Equity Securities Price Risk

- PPL and its subsidiaries are exposed to equity securities price risk associated with the fair value of the defined benefit plans' assets. This risk is significantly mitigated due to the recovery methods in place.
- PPL is exposed to equity securities price risk from future stock sales and/or purchases.

## Credit Risk

Credit risk is the potential loss that may be incurred due to a counterparty's non-performance.

PPL is exposed to credit risk from "in-the-money" transactions with counterparties as well as additional credit risk through certain of its subsidiaries, as discussed below.

In the event a supplier of PPL, PPL Electric, LG&E or KU defaults on its contractual obligation, those Registrants would be required to seek replacement power or replacement fuel in the market. In general, subject to regulatory review or other processes, appropriate incremental costs incurred by these entities would be recoverable from customers through applicable rate mechanisms, thereby mitigating the financial risk for these entities.

PPL and its subsidiaries have credit policies in place to manage credit risk, including the use of an established credit approval process, daily monitoring of counterparty positions and the use of master netting agreements or provisions. These agreements generally include credit mitigation provisions, such as margin, prepayment or collateral requirements. PPL and its subsidiaries may request additional credit assurance, in certain circumstances, **in the event that the counterparties' if a counterparty's** credit ratings fall below investment grade, their tangible net worth falls below specified percentages or **their its** exposures exceed an established credit limit.

## Master Netting Arrangements (PPL, LG&E and KU)

Net derivative positions on the balance sheets are not offset against the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) under master netting arrangements.

PPL, LG&E and KU had no obligation to return or post cash collateral under master netting arrangements at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

See "Offsetting Derivative Instruments" below for a summary of derivative positions presented in the balance sheets where a right of setoff exists under these arrangements.

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Interest Rate Risk

(All Registrants)

PPL and its subsidiaries issue debt to finance their operations, which exposes them to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating interest rates in their debt portfolios, adjust the duration of the debt portfolios and lock in benchmark interest rates in anticipation of future financing, when appropriate. Risk limits under PPL's risk management program are designed to balance risk exposure to volatility in interest expense and changes in the fair value of the debt portfolio due to changes in benchmark interest rates. In addition, the interest rate risk of certain subsidiaries is potentially mitigated as a result of the existing regulatory framework or the timing of rate cases.

Cash Flow Hedges (PPL)

Interest rate risks include exposure to adverse interest rate movements for outstanding variable rate debt and for future anticipated financings. Financial interest rate swap contracts that qualify as cash flow hedges may be entered into to hedge floating interest rate risk associated with both existing and anticipated debt issuances. PPL had no such contracts at September 30, 2023 March 31, 2024.

Cash flow hedges are discontinued if it is no longer probable that the original forecasted transaction will occur by the end of the originally specified time period and any amounts previously recorded in AOCI are reclassified into earnings once it is determined that the hedged transaction is not probable of occurring.

For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At September 30, 2023 March 31, 2024, the amount of accumulated net unrecognized after-tax gains (losses) on qualifying derivatives expected to be reclassified into earnings during the next 12 months is insignificant. Amounts are reclassified as the hedged interest expense is recorded.

Economic Activity (PPL and LG&E)

LG&E enters into interest rate swap contracts that economically hedge interest payments. Because realized gains and losses from the swaps, including terminated swap contracts, are recoverable through regulated rates, any subsequent changes in fair value of these derivatives are included in regulatory assets or liabilities until they are realized as interest expense. Realized gains and losses are recognized in "Interest Expense" on the Statements of Income at the time the underlying hedged interest expense is recorded. See Note 6 for amounts recorded in regulatory assets and regulatory liabilities at March 31, 2024 and December 31, 2023. At September 30, 2023 March 31, 2024, LG&E held contracts with a notional amount of \$64 million \$64 million that mature in 2033.

Commodity Price Risk (PPL)

Economic Activity

RIE enters into derivative contracts that economically hedge natural gas purchases. Realized gains and losses from the derivatives are recoverable through regulated rates, therefore subsequent changes in fair value are included in regulatory assets or liabilities until they are realized as purchased gas. Realized gains and losses are recognized in "Energy Purchases" on the Statements of Income upon settlement of the contracts. At September 30, 2023 March 31, 2024, RIE held contracts with notional volumes of 54 41 Bcf that range in maturity from 2024 through 2025, 2029.

Accounting and Reporting

(All Registrants)

All derivative instruments are recorded at fair value on the Balance Sheet as an asset or liability unless NPNS is elected. NPNS contracts include certain full requirement purchase contracts and other physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps and certain RIE commodity gas contracts that are recognized as regulatory assets or regulatory liabilities. See Note 6 for amounts recorded in regulatory assets and regulatory liabilities at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

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See Note 1 in each Registrant's 2022 2023 Form 10-K for additional information on accounting policies related to derivative instruments.

(PPL)

The following table presents the fair value and the location on the Balance Sheets of derivatives not designated as hedging instruments.

|  | September 30,<br>2023 | December 31,<br>2022 |
|--|-----------------------|----------------------|
|  | March 31, 2024        |                      |
|  | March 31, 2024        |                      |

| March 31, 2024          |                         |        |             |        |             | December 31, 2023     |        |             |        |             |
|-------------------------|-------------------------|--------|-------------|--------|-------------|-----------------------|--------|-------------|--------|-------------|
|                         |                         | Assets | Liabilities | Assets | Liabilities |                       | Assets | Liabilities | Assets | Liabilities |
| Current:                | Current:                |        |             |        |             | Current:              |        |             |        |             |
| Price Risk Management   | Price Risk Management   |        |             |        |             | Price Risk Management |        |             |        |             |
| Assets/Liabilities:     | Assets/Liabilities:     |        |             |        |             | Assets/Liabilities:   |        |             |        |             |
| Interest rate swaps (a) | Interest rate swaps (a) | \$ —   | \$ —        | \$ —   | \$ 1        |                       |        |             |        |             |
| Gas contracts (a)       | Gas contracts (a)       | —      | 29          | 20     | 62          |                       |        |             |        |             |
| Total current           | Total current           | —      | 29          | 20     | 63          |                       |        |             |        |             |
| Total current           |                         |        |             |        |             |                       |        |             |        |             |
| Total current           |                         |        |             |        |             |                       |        |             |        |             |
| Noncurrent:             | Noncurrent:             |        |             |        |             | Noncurrent:           |        |             |        |             |
| Price Risk Management   | Price Risk Management   |        |             |        |             | Price Risk Management |        |             |        |             |
| Assets/Liabilities:     | Assets/Liabilities:     |        |             |        |             | Assets/Liabilities:   |        |             |        |             |
| Interest rate swaps (a) | Interest rate swaps (a) | —      | 3           | —      | 6           |                       |        |             |        |             |
| Gas contracts (a)       | Gas contracts (a)       | —      | 5           | 5      | 4           |                       |        |             |        |             |
| Total noncurrent        | Total noncurrent        | —      | 8           | 5      | 10          |                       |        |             |        |             |
| Total noncurrent        |                         |        |             |        |             |                       |        |             |        |             |
| Total noncurrent        |                         |        |             |        |             |                       |        |             |        |             |
| Total derivatives       | Total derivatives       | \$ —   | \$ 37       | \$ 25  | \$ 73       |                       |        |             |        |             |

(a) Current portion is included in "Other current assets" and "Other current liabilities" and noncurrent portion is included in "Other noncurrent assets" and "Other deferred credits and noncurrent liabilities" on the Balance Sheets. Excludes accrued interest, if applicable.

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities for the period ended **September 30, 2023** **March 31, 2024**.

| Derivative Relationships | Three Months                             | Nine Months                              | Location of Gain (Loss) Recognized in Income on Derivative | Three Months                                   | Nine Months                                    |
|--------------------------|--|--|--|--|--|
|                          | Derivative Gain (Loss) Recognized in OCI | Derivative Gain (Loss) Recognized in OCI |  | Gain (Loss) Reclassified from AOCI into Income | Gain (Loss) Reclassified from AOCI into Income |
| Cash Flow Hedges:        |  |  |  |  |  |
| Interest rate swaps      | \$ —                                     | \$ —                                     | Interest expense   | \$ (1)   | \$ (3)   |

| Derivative Relationships | Three Months                             | Location of Gain (Loss) Recognized in Income on Derivative | Three Months                                   |
|--------------------------|--|--|--|
|                          | Derivative Gain (Loss) Recognized in OCI |  | Gain (Loss) Reclassified from AOCI into Income |
| Cash Flow Hedges:        |  |  |  |
| Interest rate swaps      | \$ —                                     | Interest expense   | \$ (1)   |

| Derivatives Not Designated as Hedging Instruments | Location of Gain (Loss) Recognized in Income on Derivative |  | Three Months | Nine Months |
|---|--|--|--------------|-------------|
|   |  |  |              |             |
| Gas contracts                                     | Energy purchases   |  | \$ (4)       | \$ (11)     |
|   | Other income(expense) -net                                 |  | (1)          | (1)         |
|   | Total  |  | \$ (5)       | \$ (12)     |

| Derivatives Not Designated as<br>Hedging Instruments | Location of Gain (Loss) Recognized as<br>Regulatory Liabilities/Assets | Three Months  | Nine Months  |
|--|--|---------------|--------------|
| Interest rate swaps                                  | Regulatory assets - noncurrent   | \$ 4          | \$ 4         |
| Gas contracts  | Regulatory assets - current  | (14)          | 12           |
|  | Regulatory assets - noncurrent   | 2             | (5)          |
|  | Total  | <u>\$ (8)</u> | <u>\$ 11</u> |

| Derivatives Not Designated as<br>Hedging Instruments | Location of Gain (Loss) Recognized in<br>Income on Derivative | Three Months   |
|--|---|----------------|
| Gas contracts  | Energy purchases  | \$ (16)        |
|  | Total   | <u>\$ (16)</u> |

| Derivatives Not Designated as<br>Hedging Instruments | Location of Gain (Loss) Recognized as<br>Regulatory Liabilities/Assets | Three Months |
|--|--|--------------|
| Interest rate swaps                                  | Regulatory assets - noncurrent   | \$ 2         |
| Gas contracts  | Regulatory assets - current  | 22           |
|  | Regulatory assets - noncurrent   | 4            |
|  | Total  | <u>\$ 28</u> |

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities for the period ended **September 30, 2022** **March 31, 2023**.

| Derivative Relationships | Three Months                             | Nine Months                              | Location of Gain (Loss) Recognized in Income on Derivative | Three Months                                   | Nine Months |
|--------------------------|--|--|--|--|-------------|
|                          | Derivative Gain (Loss) Recognized in OCI | Derivative Gain (Loss) Recognized in OCI |  | Gain (Loss) Reclassified from AOCI into Income |             |
| Cash Flow Hedges:        |  |  |  |  |             |
| Interest rate swaps      | \$ —                                     | \$ —                                     | Interest expense   | \$ (1)   | \$ (2)      |

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| Derivatives Not Designated as<br>Hedging Instruments | Location of Gain (Loss) Recognized in<br>Income on Derivative          | Three Months | Nine Months  |
|--|--|--------------|--------------|
| Interest rate swaps                                  | Interest expense   | \$ —         | \$ 1         |
| Gas contracts  | Energy purchases   | 17           | 26           |
|  | Total  | <u>\$ 17</u> | <u>\$ 27</u> |
| Derivatives Not Designated as<br>Hedging Instruments | Location of Gain (Loss) Recognized as<br>Regulatory Liabilities/Assets | Three Months | Nine Months  |
| Interest rate swaps                                  | Regulatory assets - noncurrent   | \$ 3         | \$ 11        |

| Derivatives Not Designated as<br>Hedging Instruments | Location of Gain (Loss) Recognized in<br>Income on Derivative          | Three Months |
|--|--|--------------|
| Interest rate swaps                                  | Interest expense   | \$ —         |
| Gas contracts  | Energy purchases   | (2)          |
|  | Other income (expense) - net   | 1            |
|  | Total  | \$ (1)       |
| Derivatives Not Designated as<br>Hedging Instruments | Location of Gain (Loss) Recognized as<br>Regulatory Liabilities/Assets | Three Months |
| Interest rate swaps                                  | Regulatory assets - noncurrent   | \$ (1)       |
| Gas contracts  | Regulatory assets - current  | 28           |
|  | Regulatory assets - noncurrent   | (7)          |
|  | Total  | \$ 20        |

The following table presents the effect of cash flow hedge activity on the Statement of Income for the period ended **September 30, 2023** **March 31, 2024**.

|  | Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships             |                 |                                 |                 |
|--|--|-----------------|---------------------------------|-----------------|
|  | Three Months   |                 | Nine Months                     |                 |
|  | Other Income<br>(Expense) - net  |                 | Other Income<br>(Expense) - net |                 |
|  | Interest Expense   | (Expense) - net | Interest Expense                | (Expense) - net |
| Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded | \$ 165   | \$ 16           | \$ 494                          | \$ 51           |
| The effects of cash flow hedges:   |  |                 |                                 |                 |
| Gain (Loss) on cash flow hedging relationships:  |  |                 |                                 |                 |
| Interest rate swaps:   |  |                 |                                 |                 |
| Amount of gain (loss) reclassified from AOCI to income   | (1)  | —               | (3)                             | —               |
|  | Location and Amount<br>of Gain (Loss)<br>Recognized in Income<br>on Hedging<br>Relationships |                 |                                 |                 |
|  | Three Months   |                 |                                 |                 |
|  | Interest Expense   |                 |                                 |                 |
| Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded | \$ 179   |                 |                                 |                 |
| The effects of cash flow hedges:   |  |                 |                                 |                 |
| Gain (Loss) on cash flow hedging relationships:  |  |                 |                                 |                 |
| Interest rate swaps:   |  |                 |                                 |                 |
| Amount of gain (loss) reclassified from AOCI to income   | (1)  |                 |                                 |                 |

The following table presents the effect of cash flow hedge activity on the Statement of Income for the period ended **September 30, 2022** **March 31, 2023**.

|  | Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships |                 |                                 |                 |
|--|--|-----------------|---------------------------------|-----------------|
|  | Three Months   |                 | Nine Months                     |                 |
|  | Other Income<br>(Expense) - net  |                 | Other Income<br>(Expense) - net |                 |
|  | Interest Expense   | (Expense) - net | Interest Expense                | (Expense) - net |
| Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded | \$ 136   | \$ 10           | \$ 361                          | \$ 36           |
| The effects of cash flow hedges:   |  |                 |                                 |                 |
| Gain (Loss) on cash flow hedging relationships:  |  |                 |                                 |                 |
| Interest rate swaps:   |  |                 |                                 |                 |
| Amount of gain (loss) reclassified from AOCI to income   | —  | —               | (2)                             | —               |



|  | Location and Amount<br>of Gain (Loss)<br>Recognized in Income<br>on Hedging<br>Relationships<br>Three Months<br>Interest Expense |
|--|--|
| Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded | \$ 164   |
| The effects of cash flow hedges:   |  |
| Gain (Loss) on cash flow hedging relationships:  |  |
| Interest rate swaps:   |  |
| Amount of gain (loss) reclassified from AOCI to income   | (1)  |

(LG&E)

The following table presents the fair value and the location on the Balance Sheets of derivatives not designated as hedging instruments.

|   | September 30, 2023 |             | December 31, 2022 |             |
|---|--------------------|-------------|-------------------|-------------|
|   | Assets             | Liabilities | Assets            | Liabilities |
| Current:                                  |                    |             |                   |             |
| Price Risk Management Assets/Liabilities: |                    |             |                   |             |
| Interest rate swaps                       | \$ —               | \$ —        | \$ —              | \$ 1        |
| Total current                             | —                  | —           | —                 | 1           |
| Noncurrent:                               |                    |             |                   |             |
| Price Risk Management Assets/Liabilities: |                    |             |                   |             |
| Interest rate swaps                       | —                  | 3           | —                 | 6           |
| Total noncurrent                          | —                  | 3           | —                 | 6           |
| Total derivatives                         | \$ —               | \$ 3        | \$ —              | \$ 7        |

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|   | March 31, 2024 |             | December 31, 2023 |             |
|---|----------------|-------------|-------------------|-------------|
|   | Assets         | Liabilities | Assets            | Liabilities |
| Current:                                  |                |             |                   |             |
| Price Risk Management Assets/Liabilities: |                |             |                   |             |
| Interest rate swaps                       | \$ —           | \$ 1        | \$ —              | \$ 1        |
| Total current                             | —              | 1           | —                 | 1           |
| Noncurrent:                               |                |             |                   |             |
| Price Risk Management Assets/Liabilities: |                |             |                   |             |
| Interest rate swaps                       | —              | 4           | —                 | 6           |
| Total noncurrent                          | —              | 4           | —                 | 6           |
| Total derivatives                         | \$ —           | \$ 5        | \$ —              | \$ 7        |

The following tables present the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets for the period ended **September 30, 2023** March 31, 2024.

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| Derivative Instruments | Location of Gain (Loss) Recognized in |              |             |
|------------------------|---------------------------------------|--------------|-------------|
|                        | Income on Derivatives                 | Three Months | Nine Months |
| Interest rate swaps    | Interest expense                      | \$ —         | \$ —        |

| Derivative Instruments |  | Location of Gain (Loss) Recognized in |              |             |  |
|------------------------|--|---------------------------------------|--------------|-------------|--|
|                        |  | Regulatory Assets                     | Three Months | Nine Months |  |
| Interest rate swaps    |  | Regulatory assets - noncurrent        | \$ 4         | \$ 4        |  |

| Derivative Instruments |  | Location of Gain (Loss) Recognized in |              |  |  |
|------------------------|--|---------------------------------------|--------------|--|--|
|                        |  | Income on Derivatives                 | Three Months |  |  |
| Interest rate swaps    |  | Interest expense                      | \$ —         |  |  |

| Derivative Instruments |  | Location of Gain (Loss) Recognized in |              |  |  |
|------------------------|--|---------------------------------------|--------------|--|--|
|                        |  | Regulatory Assets                     | Three Months |  |  |
| Interest rate swaps    |  | Regulatory assets - noncurrent        | \$ 2         |  |  |

The following tables present the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets for the period ended **September 30, 2022** **March 31, 2023**.

| Location of Gain (Loss) Recognized in |  |                                |  |              |             |
|---------------------------------------|--|--------------------------------|--|--------------|-------------|
| Derivative Instruments                |  | Income on Derivatives          |  | Three Months | Nine Months |
| Interest rate swaps                   |  | Interest expense               |  | \$ —         | \$ 1        |
| Location of Gain (Loss) Recognized in |  |                                |  |              |             |
| Derivative Instruments                |  | Regulatory Assets              |  | Three Months | Nine Months |
| Interest rate swaps                   |  | Regulatory assets - noncurrent |  | \$ 3         | \$ 11       |

| Location of Gain (Loss) Recognized in |  |              |
|---------------------------------------|--|--------------|
| Derivative Instruments                |  | Three Months |
| Interest rate swaps                   |  | \$ —         |

| Location of Gain (Loss) Recognized in |  |              |
|---------------------------------------|--|--------------|
| Derivative Instruments                |  | Three Months |
| Interest rate swaps                   |  | \$ (1)       |

(PPL, LG&E and KU)

#### Offsetting Derivative Instruments

PPL, LG&E and KU or certain of their subsidiaries have master netting arrangements in place and also enter into agreements pursuant to which they purchase or sell certain energy and other products. Under the agreements, upon termination of the agreement as a result of a default or other termination event, the non-defaulting party typically would have a right to set off amounts owed under the agreement against any other obligations arising between the two parties (whether under the agreement or not), whether matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation.

PPL, LG&E and KU have elected not to offset derivative assets and liabilities and not to offset net derivative positions against the right to reclaim cash collateral pledged (an asset) or the obligation to return cash collateral received (a liability) under derivatives agreements. The table below summarizes the derivative positions presented in the balance sheets where a right of setoff exists under these arrangements and related cash collateral received or pledged.

| Assets                |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     | Liabilities           |             |          |     |       |             |         |     |                       |      |  |  |  |  |  |  |
|-----------------------|-------------|----------|-----|-------|-------------|---------|-----|-----------------------|-------------|----------|-----|-------|-------------|---------|-----|-----------------------|-------------|----------|-----|-------|-------------|---------|-----|-----------------------|------|--|--|--|--|--|--|
| Eligible for Offset   |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     | Eligible for Offset   |             |          |     |       |             |         |     |                       |      |  |  |  |  |  |  |
| Cash                  |             |          |     |       |             |         |     | Cash                  |             |          |     |       |             |         |     | Cash                  |             |          |     |       |             |         |     | Cash                  |      |  |  |  |  |  |  |
| Derivative Collateral |             |          |     |       |             |         |     | Derivative Collateral |             |          |     |       |             |         |     | Derivative Collateral |             |          |     |       |             |         |     | Derivative Collateral |      |  |  |  |  |  |  |
| Gross                 | Instruments | Received | Net | Gross | Instruments | Pledged | Net | Gross                 | Instruments | Received | Net | Gross | Instruments | Pledged | Net | Gross                 | Instruments | Received | Net | Gross | Instruments | Pledged | Net |                       |      |  |  |  |  |  |  |
| September 30, 2023    |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     |                       |      |  |  |  |  |  |  |
| Gross                 |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     | Gross                 |             |          |     |       |             |         |     |                       |      |  |  |  |  |  |  |
| March 31, 2024        |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     | March 31, 2024        |             |          |     |       |             |         |     |                       |      |  |  |  |  |  |  |
| Derivatives           |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     | Derivatives           |             |          |     |       |             |         |     |                       |      |  |  |  |  |  |  |
| PPL                   | PPL         | \$       | —   | \$    | —           | \$      | —   | \$                    | —           | \$       | 37  | \$    | —           | \$      | —   | \$37                  | PPL         | PPL      | \$  | —     | \$          | —       | \$  | —                     | \$37 |  |  |  |  |  |  |
| LG&E                  | LG&E        | —        | —   | —     | —           | 3       | —   | —                     | —           | 3        | —   | —     | 3           | —       | —   | 3                     | LG&E        | LG&E     | —   | —     | —           | —       | 3   | —                     | 3    |  |  |  |  |  |  |
| Assets                |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     | Liabilities           |             |          |     |       |             |         |     |                       |      |  |  |  |  |  |  |
| Eligible for Offset   |             |          |     |       |             |         |     |                       |             |          |     |       |             |         |     | Eligible for Offset   |             |          |     |       |             |         |     |                       |      |  |  |  |  |  |  |

|                          | Assets              |                        |                          |      | Liabilities         |                        |                         |       |
|--------------------------|---------------------|------------------------|--------------------------|------|---------------------|------------------------|-------------------------|-------|
|                          | Eligible for Offset |                        | Eligible for Offset      |      | Eligible for Offset |                        | Eligible for Offset     |       |
|                          | Gross               | Derivative Instruments | Cash Collateral Received | Net  | Gross               | Derivative Instruments | Cash Collateral Pledged | Net   |
| <b>December 31, 2022</b> |                     |                        |                          |      |                     |                        |                         |       |
| <b>Derivatives</b>       |                     |                        |                          |      |                     |                        |                         |       |
| PPL                      | \$ 25               | \$ 20                  | \$ —                     | \$ 5 | \$ 73               | \$ 62                  | \$ —                    | \$ 11 |
| LG&E                     | —                   | —                      | —                        | —    | 7                   | —                      | —                       | 7     |

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|                          | Assets              |                        |                          |      | Liabilities         |                        |                         |       |
|--------------------------|---------------------|------------------------|--------------------------|------|---------------------|------------------------|-------------------------|-------|
|                          | Eligible for Offset |                        | Eligible for Offset      |      | Eligible for Offset |                        | Eligible for Offset     |       |
|                          | Gross               | Derivative Instruments | Cash Collateral Received | Net  | Gross               | Derivative Instruments | Cash Collateral Pledged | Net   |
| <b>December 31, 2023</b> |                     |                        |                          |      |                     |                        |                         |       |
| <b>Derivatives</b>       |                     |                        |                          |      |                     |                        |                         |       |
| PPL                      | \$ 1                | \$ —                   | \$ —                     | \$ 1 | \$ 67               | \$ —                   | \$ —                    | \$ 67 |
| LG&E                     | —                   | —                      | —                        | —    | 7                   | —                      | —                       | 7     |

#### Credit Risk-Related Contingent Features

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in the credit ratings of PPL, LG&E and KU or certain of their subsidiaries. Most of these features would require the transfer of additional collateral or permit the counterparty

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to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, and assuming no assignment to an investment grade affiliate were allowed, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

Additionally, certain derivative contracts contain credit risk-related contingent features that require adequate assurance of performance be provided if the other party has reasonable concerns regarding the performance of PPL's, LG&E's and KU's obligations under the contracts. A counterparty demanding adequate assurance could require a transfer of additional collateral or other security, including letters of credit, cash and guarantees from a creditworthy entity. This would typically involve negotiations among the parties. However, such amounts would represent assumed immediate payment or immediate and ongoing full collateralization for derivative instruments in net liability positions with "adequate assurance" features.

(PPL)

At September 30, 2023, derivative contracts in a net liability position that contain credit risk-related contingent features was \$21 million. At March 31, 2024, the aggregate fair value of additional collateral requirements in the event of a credit downgrade below investment grade was \$22 million.

#### 15. Asset Retirement Obligations

(PPL, LG&E and KU)

PPL's, LG&E's and KU's ARO liabilities are primarily related to CCR closure costs. See Note 10 for information on the CCR rule. LG&E and RIE also has AROs related to natural gas mains and wells. LG&E's and KU's transmission and distribution lines largely operate under perpetual property easement agreements, which do not generally require restoration upon removal of the property. Therefore, no material AROs are recorded for transmission and distribution assets. For LG&E, KU and RIE, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.

The changes in the carrying amounts of AROs were as follows.

|                              | PPL    | LG&E  | KU    |
|------------------------------|--------|-------|-------|
| Balance at December 31, 2022 | \$ 177 | \$ 86 | \$ 82 |
| Accretion                    | 6      | 3     | 3     |

|   |        |       |       |
|---|--------|-------|-------|
| New obligations incurred                          | 2      | 1     | 1     |
| Changes in estimated cash flow or settlement date | 14     | 11    | 5     |
| Obligations settled                               | (26)   | (9)   | (17)  |
| Other   | (5)    | (6)   | —     |
| Balance at September 30, 2023                     | \$ 168 | \$ 86 | \$ 74 |

|                              | PPL    | LG&E  | KU    |
|------------------------------|--------|-------|-------|
| Balance at December 31, 2023 | \$ 158 | \$ 85 | \$ 66 |
| Accretion                    | 2      | 1     | 1     |
| Obligations settled          | (5)    | (2)   | (3)   |
| Other                        | 1      | —     | —     |
| Balance at March 31, 2024    | \$ 156 | \$ 84 | \$ 64 |

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## 16. Accumulated Other Comprehensive Income (Loss)

(PPL)

The after-tax changes in AOCI by component for the periods ended **September 30** **March 31** were as follows.

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|                                   |                                   | Unrealized gains (losses) on qualifying derivatives |    | Equity investees' AOCI |        | Defined benefit plans |     | Prior service costs |  | Actuarial gain (loss) |  | Total   |
|-----------------------------------|-----------------------------------|---|----|------------------------|--------|-----------------------|-----|---------------------|--|-----------------------|--|---------|
|                                   |                                   | Unrealized gains (losses) on qualifying derivatives |    | Equity investees' AOCI |        | Defined benefit plans |     | Prior service costs |  | Actuarial gain (loss) |  | Total   |
| PPL                               | PPL                               |   |    |                        |        |                       |     |                     |  |                       |  |         |
| June 30, 2023                     |                                   | \$ 4  | \$ | 3                      | \$ (4) | \$ (140)              |     |                     |  |                       |  | \$(137) |
| December 31, 2023                 |                                   |   |    |                        |        |                       |     |                     |  |                       |  |         |
| December 31, 2023                 |                                   |   |    |                        |        |                       |     |                     |  |                       |  |         |
| December 31, 2023                 |                                   |   |    |                        |        |                       |     |                     |  |                       |  |         |
| Amounts arising during the period | Amounts arising during the period | —   | —  | —                      | —      | (6)                   | (6) |                     |  |                       |  |         |
| Reclassifications from AOCI       | Reclassifications from AOCI       | 1   | —  | —                      | —      | —                     | 1   |                     |  |                       |  |         |
| Net OCI during the period         | Net OCI during the period         | 1   | —  | —                      | (6)    | (5)                   |     |                     |  |                       |  |         |
| September 30, 2023                |                                   | \$ 5  | \$ | 3                      | \$ (4) | \$ (146)              |     |                     |  |                       |  | \$(142) |
| March 31, 2024                    |                                   |   |    |                        |        |                       |     |                     |  |                       |  |         |
| December 31, 2022                 |                                   |   |    |                        |        |                       |     |                     |  |                       |  |         |
| December 31, 2022                 |                                   |   |    |                        |        |                       |     |                     |  |                       |  |         |
| December 31, 2022                 | December 31, 2022                 | \$ 3  | \$ | 2                      | \$ (5) | \$ (124)              |     |                     |  |                       |  | \$(124) |



|                                    |                   |        |        |        |         |
|------------------------------------|-------------------|--------|--------|--------|---------|
| Net                                | Net               |        |        |        |         |
| actuarial                          | actuarial         |        |        |        |         |
| loss (a)                           | loss (a)          | (1)    | (5)    | 1      | (17)    |
| Total Pre-tax                      | Total Pre-tax     | (1)    | (7)    | —      | (20)    |
| Total Pre-tax                      |                   |        |        |        |         |
| Total Pre-tax                      |                   |        |        |        |         |
| Income Taxes                       | Income Taxes      | 1      | 3      | —      | 6       |
| Income Taxes                       |                   |        |        |        |         |
| Income Taxes                       |                   |        |        |        |         |
| Total After-tax                    |                   |        |        |        |         |
| Total After-tax                    |                   |        |        |        |         |
| Total After-tax                    | Total After-tax   | —      | (4)    | —      | (14)    |
| Total                              | Total             |        |        |        |         |
| reclassifications                  | reclassifications |        |        |        |         |
| during the                         | during the        |        |        |        |         |
| period                             | period            | \$ (1) | \$ (4) | \$ (2) | \$ (15) |
| Total reclassifications during the |                   |        |        |        |         |
| period                             |                   |        |        |        |         |
| Total reclassifications during the |                   |        |        |        |         |
| period                             |                   |        |        |        |         |

(a) These AOCI components are included in the computation of net periodic defined benefit cost. See Note 9 for additional information.

## 17. New Accounting Guidance Pending Adoption

(All Registrants)

### Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07 which improves reportable segment disclosure requirements, primarily through enhanced disclosures about segment expenses. The standard also requires public entities to disclose the title and position of the Chief Operating Decision Maker (CODM) and explain how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. Disclosure of certain segment-related disclosures that previously were required only on an annual basis will be required in interim periods. In addition, public entities

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that have a single reportable segment are required to provide disclosures required by the new ASU and existing segment disclosure in Topic 280 (Segment Reporting).

For public business entities, this guidance will be applied retrospectively to all prior periods presented in the financial statements and will be effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.

The Registrants are currently assessing the impact of adopting this guidance.

### Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09 which requires public business entities to provide additional income tax disclosures including a disaggregated rate reconciliation as well as information on income taxes paid.

For public business entities, this guidance will be applied on a prospective basis. Retrospective application is permitted. This guidance will be effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance.

The Registrants are currently assessing the impact of adopting this guidance.

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## Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations

(All Registrants)

This "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" is separately filed by PPL, PPL Electric, LG&E and KU. Information contained herein relating to any individual Registrant is filed by such Registrant solely on its own behalf, and no Registrant makes any representation as to information relating to any other Registrant. The specific Registrant to which disclosures are applicable is identified in parenthetical headings in *italics* above the applicable disclosure or within the applicable disclosure for each Registrant's related activities and disclosures. Within combined disclosures, amounts are disclosed for individual Registrants when significant.

The following should be read in conjunction with the Registrants' Condensed Consolidated Financial Statements and the accompanying Notes and with the Registrants' 2022 2023 Form 10-K. Capitalized terms and abbreviations are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted.

"Management's Discussion and Analysis of Financial Condition and Results of Operations" includes the following information:

- "Overview" provides a description of each Registrant's business strategy and a discussion of important financial and operational developments.
- "Results of Operations" for all Registrants includes a "Statement of Income Analysis," which discusses significant changes in principal line items on the Statements of Income, comparing the three and nine months ended September 30, 2023 March 31, 2024 with the same periods period in 2022, 2023. The PPL "Results of Operations" also includes "Segment Earnings" Earnings, which provides a detailed analysis of earnings by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.
- "Financial Condition - Liquidity and Capital Resources" provides an analysis of the Registrants' liquidity positions and credit profiles. This section also includes a discussion of rating agency actions.
- "Financial Condition - Risk Management" provides an explanation of the Registrants' risk management programs relating to market and credit risk.

Overview

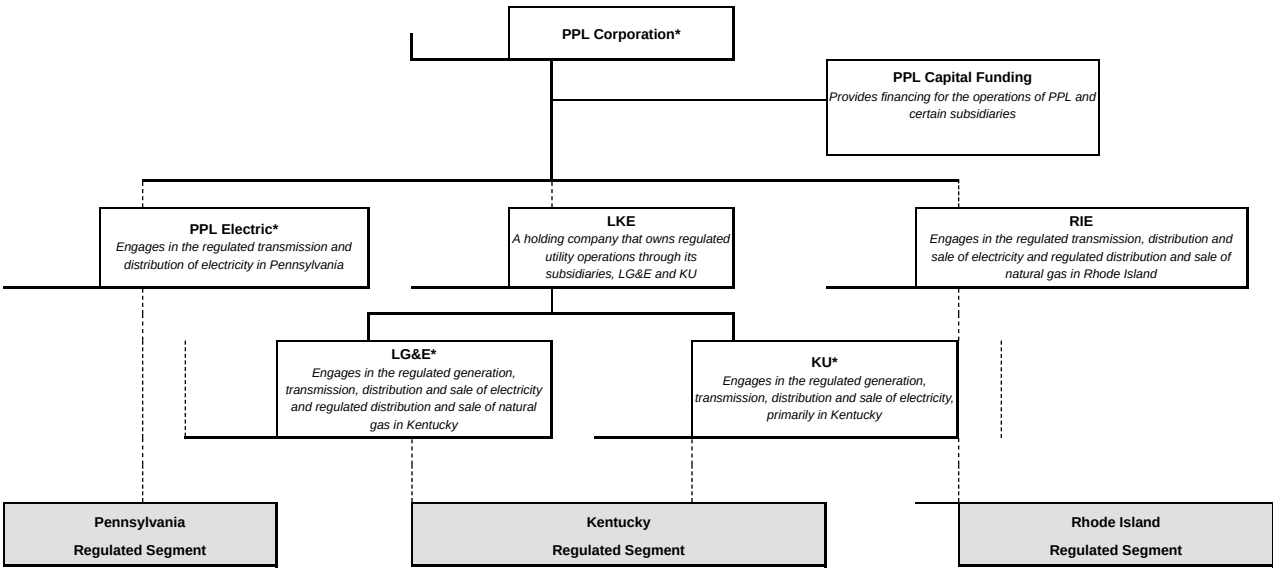
Introduction

(PPL)

PPL, headquartered in Allentown, Pennsylvania, is a utility holding company. PPL, through its regulated utility subsidiaries, delivers electricity to customers in Pennsylvania, Kentucky, Virginia, and Rhode Island; delivers natural gas to customers in Kentucky and Rhode Island; and generates electricity from power plants in Kentucky.

PPL's principal subsidiaries are shown below (\* denotes a Registrant).

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In addition to PPL, the other Registrants included in this filing are as follows.

(PPL Electric)

PPL Electric, headquartered in Allentown, Pennsylvania, is a wholly-owned subsidiary of PPL and a regulated public utility that is an electricity transmission and distribution service provider in eastern and central Pennsylvania. PPL Electric is subject to regulation as a public utility by the PAPUC, and certain of its transmission activities are subject to the jurisdiction of the FERC under the Federal Power Act. PPL Electric delivers electricity in its Pennsylvania service area and provides electricity supply to retail customers in that area as a PLR under the Customer Choice Act. PPL Electric was organized in 1920 as Pennsylvania Power & Light Company.

(LG&E)

LG&E, headquartered in Louisville, Kentucky, is a wholly-owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity and distribution and sale of natural gas in Kentucky. LG&E is subject to regulation as a public utility by the KPSC, and certain of its transmission activities are subject to the jurisdiction of the FERC under the Federal Power Act.

(KU)

KU, headquartered in Lexington, Kentucky, is a wholly-owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity in Kentucky and Virginia. KU is subject to regulation as a public utility by the KPSC and the VSCC, and certain of its transmission and wholesale power activities are subject to the jurisdiction of the FERC under the Federal Power Act. KU serves its Kentucky customers under the KU name and its Virginia customers under the Old Dominion Power name.

#### Segment Information (PPL)

Beginning on January 1, 2023, PPL is organized into three reportable segments as depicted in the chart above: Kentucky Regulated, segment consists which primarily of represents the regulated electricity generation, transmission and distribution operations conducted by results of LG&E and KU, as well as LG&E's regulated distribution Pennsylvania Regulated, which primarily represents the results of PPL Electric, and sale Rhode Island Regulated, which primarily represents the results of natural gas. Prior to January 1, 2023, the Kentucky Regulated segment also included the financing activities of LKE. The financing activity of LKE is presented in RIE. "Corporate and Other" beginning on January 1, 2023. Prior periods have been adjusted to reflect this change. As a result, PPL's segments consist of its regulated operations in Kentucky, Pennsylvania and Rhode primarily includes corporate level financing

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Island costs, certain unallocated costs, and exclude any incremental financing activities certain non-recoverable costs incurred in conjunction with the acquisition of holding companies, which Management believes is a more meaningful presentation as it provides information on the core regulated operations of PPL. Narragansett Electric.

#### **Business Strategy**

(All Registrants)

PPL operates four fully regulated utilities located in Pennsylvania, Kentucky and Rhode Island, which are constructive regulatory Island. Each of these jurisdictions with has distinct regulatory structures and each of the utilities has distinct customer classes.

PPL's strategy, which is supported by the other Registrants and subsidiaries, is to achieve industry-leading performance in safety, reliability, customer satisfaction and operational efficiency; to advance a clean energy transition while maintaining affordability and reliability; to maintain a strong financial foundation and create long-term value for our shareowners; to foster a diverse and exceptional workplace; and to build strong communities in areas that we serve.

Central to PPL's and the other Registrants' strategy is recovering capital project costs efficiently through various rate-making mechanisms, including periodic base rate case proceedings using forward test years, annual FERC formula rate mechanisms and other regulatory agency-approved recovery mechanisms designed to limit regulatory lag. In Kentucky, in addition to FERC formula rates, the KPSC has adopted a series of regulatory mechanisms (ECR, DSM, GLT, fuel adjustment clause, and gas supply clause) and recovery on construction work-in-progress that reduce regulatory lag and provide timely recovery of and return on, as appropriate, prudently incurred costs. In Pennsylvania, FERC formula rates, DSIC mechanism, Smart Meter Rider and other recovery mechanisms operate to reduce regulatory lag and provide for timely recovery of and a return on, as appropriate, prudently incurred costs. In Rhode Island, FERC formula rates, the gas cost adjustment, net metering, infrastructure, safety and reliability (ISR) and revenue decoupling mechanisms and other rate adjustment mechanisms operate to reduce regulatory lag and provide timely recovery of and return on, as appropriate, prudently incurred costs.

#### **Financial and Operational Developments**

##### IRS Revenue Procedure 2023-15 Transfer of Certain Credits under the Inflation Reduction Act (PPL and LG&E) (PPL)

On April 14, 2023 April 25, 2024, the IRS issued released the final Internal Revenue Procedure 2023-15, which provides a safe harbor method Code Section 6418 regulations related to the transfer of accounting that taxpayers may use to determine whether expenses to repair, maintain, replace, or improve natural gas transmission certain credits under the Inflation Reduction Act. The regulations were published in the Federal Register on April 30, 2024, and distribution property must will be capitalized for tax purposes, effective on July 1, 2024. PPL and LG&E are is currently reviewing the revenue procedure final regulations to determine what impact the guidance may have on their financial statements.

#### Regulatory Requirements

(All Registrants)



The Registrants cannot predict the impact that future regulatory requirements may have on their financial condition or results of operations.

(PPL, LG&E and KU)

#### *Environmental Considerations for Coal-Fired Generation*

The businesses of LG&E and KU are subject to extensive federal, state and local environmental laws, rules and regulations, including those pertaining to CCRs, GHG, and ELGs. See Notes 6, 10 and 15 to the Financial Statements for a discussion of these significant environmental matters. These and other environmental requirements led PPL, LG&E and KU to retire approximately 1,200 MW of coal-fired generating plants in Kentucky since 2010. As part of the long-term generation planning process, LG&E and KU evaluate a range of factors including the impact of potential stricter environmental regulations, fuel price scenarios, the cost of replacement generation, continued operations and major maintenance costs and the risk of major equipment failures in determining when to retire generation assets.

As a result of environmental requirements and aging infrastructure, LG&E anticipates retiring has sought and obtained approval to retire two older coal-fired units at the Mill Creek Plant and KU anticipates retiring one coal-fired unit at each of the E.W. Brown and Ghent plants. Plant. Mill Creek Unit 1, with 300 MW of capacity, is expected to be retired in 2024. Mill Creek Unit 2, with 297 MW of capacity, is expected to be retired in 2027. E.W. Brown Unit 3, with 412 MW of capacity, and Ghent Unit 2, with 486 MW of capacity, are expected 2027, subject to be certain conditions. See Note 6 to the Financial Statements for additional information.

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retired in 2028. On May 10, 2023, LG&E and KU submitted an application with the KPSC requesting approval of the relevant proposed retirements. LG&E and KU expect to recover the associated retirement costs, including the remaining net book value, for these coal-fired generating units through the RAR or other rate mechanisms in the future.

#### *CPCN and SB 4 Application*

On December 15, 2022, LG&E and KU filed an application with the KPSC for a CPCN for the construction of two 621 MW net summer rating NGCC combustion turbine facilities, one at LG&E's Mill Creek Generating Station in Jefferson County, Kentucky and the other at KU's E.W. Brown Generating Station in Mercer County, Kentucky, including on-site natural gas and electric transmission construction associated with those facilities and site compatibility certificates. LG&E and KU also applied for a CPCN to construct a 120 MWac solar photovoltaic electric generating facility in Mercer County, Kentucky, and for a CPCN to acquire a 120 MWac solar facility to be built by a third-party solar developer in Marion County, Kentucky. LG&E and KU further applied for a CPCN to construct a 125 MW, 4-hour battery energy storage system facility at KU's E.W. Brown Generating Station and for approval of their proposed 2024-2030 DSM programs. The plan includes adding 14 new, adjusted or expanded energy efficiency programs, which would reduce LG&E's and KU's overall need by approximately 100 MW each. Finally, LG&E and KU requested a declaratory order to confirm that their entry into non-firm energy-only power-purchase agreements for the output of four solar photovoltaic facilities with a combined capacity of 637 MW does not require KPSC approval and that LG&E and KU may recover the costs of the solar PPAs through their fuel adjustment clause mechanisms as previously approved for a prior solar PPA. LG&E and KU plan to accrue AFUDC on the constructed NGCC facilities, the solar facility in Mercer County, Kentucky and the battery energy storage system facility and have requested regulatory asset treatment to recover the financing costs of these projects.

The plan is consistent with PPL's goal to achieve net-zero carbon emissions by 2050. PPL has estimated that the replacement strategy contemplated by the plan would reduce the carbon intensity of LG&E and KU's generation fleet and result in greenhouse gas emissions reductions that support achievement of 2035 and 2040 interim targets of 70% and 80%, respectively.

The KPSC accepted the CPCN filing as of January 6, 2023. On March 24, 2023, Kentucky Senate Bill 4 (SB 4) went into effect, which requires KPSC approval of fossil fuel-fired electric generating unit retirements in the state. On May 10, 2023, LG&E and KU filed an application with the KPSC seeking approval of the retirement of seven fossil fuel-fired generating units as required by the recently enacted SB 4. On May 16, 2023, the KPSC entered an Order consolidating the SB 4 filing proceeding into the CPCN case. On August 29, 2023, a hearing with the KPSC and all parties concluded, and all post-hearing briefs have been filed. The KPSC has indicated its intention to issue an order on all issues by November 6, 2023. PPL, LG&E and KU cannot predict the outcome of these matters.

#### *Kentucky March 2023 Storm*

On March 3, 2023, LG&E and KU experienced significant windstorm activity in their service territories, resulting in substantial damage to certain of LG&E's and KU's assets with total costs incurred through September 30, 2023 of \$75 million (\$33 million at LG&E and \$42 million at KU). On March 17, 2023, LG&E and KU submitted a filing with the KPSC requesting regulatory asset treatment of the extraordinary operations and maintenance expenses portion of the costs incurred related to the windstorm. On April 5, 2023, the KPSC issued an order approving the request for accounting purposes, noting that approval for recovery would be determined in LG&E's and KU's next base rate cases. As of September 30, 2023, LG&E and KU recorded regulatory assets related to the storm of \$8 million and \$11 million.

#### *FERC Transmission Rate Filing*

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky

municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the D.C. Circuit Court of Appeals regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an

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order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU requested and received an extension of time to process refunds until December 2023. LG&E and KU filed a request for rehearing of the May 18, 2023 order, which was denied by operation of law on July 17, 2023. LG&E and KU filed petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on July 28, 2023 December 1, 2023. The FERC has indicated in its filings before issued an order on LG&E and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The proceedings at the D.C. Circuit Court of Appeals that it intends were held on abeyance to allow the FERC time to substantively address LG&E and KU's request for rehearing of the November 16 order. FERC issued the substantive order on rehearing before November 13, 2023 on March 21, 2024. The LG&E and KU filed an unopposed motion to lift the abeyance on April 24, 2024 and anticipate a resumption of activities with the D.C. Circuit Court of Appeals will likely set the procedural schedule soon after FERC files the certified index to the record Appeal in mid-November 2023. LG&E and KU recorded regulatory liabilities May of \$3 million and \$9 million related to potential refunds resulting from the FERC's May 18, 2023 order, 2024. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits provided primarily through base rates with increases, provided, however, that increases associated with the FERC's May 18, 2023 order are expected to be primarily subject to base rate recovery in future rate proceedings.

(PPL)

#### [FY 2025 Gas ISR Plan](#)

On December 22, 2023, RIE filed its FY 2025 Gas ISR Plan with the RIPUC with a budget that includes \$185 million of capital investment spend, plus up to an additional \$11 million of contingency plan spend in light of the Pipeline and Hazardous Materials Safety Administration's potential enactment of regulations during FY 2025 that, if enacted, would significantly alter RIE's leak detection and repair obligations under such regulations. RIE also filed its proposed gas ISR plan budgetary and reconciliation framework, addressing issues raised in connection with its FY 2024 submission, with its FY 2025 ISR Plan. The RIPUC held hearings in March 2024, and on March 26, 2024, approved the plan, including the proposed budgetary and reconciliation framework, with a total approved FY 2025 Gas ISR Plan of \$180 million of which \$168 million is for capital investment spend and \$12 million spend for paving costs as operations and maintenance (O&M), plus the potential additional \$11 million available if the above-mentioned regulations are implemented by the Pipeline and Hazardous Materials Safety Administration. On March 28, 2024, the RIPUC approved RIE's compliance filing for rates effective April 1, 2024.

#### [FY 2025 Electric ISR Plan](#)

On December 21, 2023, RIE filed its FY 2025 Electric ISR Plan with the RIPUC with a budget that includes \$141 million of capital investment spend, \$13 million of vegetation O&M spend and \$1 million of Other O&M spend. RIE also filed its proposed electric ISR plan budgetary and reconciliation framework, addressing issues raised in connection with its FY 2024 submission, with its FY 2025 ISR Plan. The RIPUC held hearings in March 2024, and on March 26, 2024, approved the plan, including the proposed budgetary and reconciliation framework, with modifications to the proposed capital investment spend, resulting in a total approved FY 2025 Electric ISR Plan of \$132 million for capital investment spend, \$13 million for vegetation management O&M spend, and \$1 million for Other O&M spend. On March 28, 2024, the RIPUC approved RIE's compliance filing for rates effective April 1, 2024.

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#### [Advanced Metering Functionality \(AMF\)](#)

In 2021, RIE filed its Updated AMF Business Case and Grid Modernization Plan (GMP) with the RIPUC in accordance with the ASA approved by the RIPUC in August 2018, and which, among other things, sought approval to deploy smart meters throughout the service territory. In 2021, the RIPUC stayed the AMF and GMP proceedings pending further consideration following the issuance of a final Order by the Rhode Island Division of Public Utilities and Carriers on After PPL completed the acquisition of RIE. RIE, filed notice of withdrawal of the original Updated AMF Business Case and GMP with the RIPUC, and in November 2022 RIE filed a new AMF Business Case with the RIPUC. The new AMF Business Case filing consists RIPUC in 2022, consisting of a detailed proposal for full-scale deployment of AMF across its electric service territory. The proposal will enable significant customer and grid benefits in line with the state's climate mandates. In its filing, RIE estimated that the proposed program would cost \$188 million on a net present value (NPV) basis and provide benefits of \$729 million NPV over the 20-year project life, yielding a benefit-cost ratio of 3.9x. RIE believes AMF is a foundational technology that is a necessary first step to transforming Rhode Island's electric distribution system.

On September 27, 2023, the RIPUC unanimously approved RIE to deploy an AMF-based metering system for the electric distribution business. RIE is authorized to seek recovery of the approved capital investment through the ISR process with an overall multi-year cap on recovery at approximately \$153 million, subject to certain terms, conditions and limitations with respect to the potential offsets and recoverability of certain costs. RIE is required to continue spending, even if above the recovery cap, until it achieves the functionalities outlined in the AMF Business Case. RIE is required to file filed with the RIPUC (i) by December 27, 2023, an updated electric Service Quality Plan on December 27, 2023 for RIPUC review and approval and (ii) additional compliance tariff provisions regarding recovery and plans that address certain programs related to AMF.

#### [FY 2024 Gas Infrastructure, Safety and Reliability \(ISR\) Plan](#)

On December 23, 2022, RIE filed its FY 2024 Gas ISR Plan with the RIPUC. At its January 20, 2023 Open Meeting, the RIPUC directed RIE to file supplemental budget and rate updated cost schedules to reflect an April 1 to March 31 fiscal year. The supplemental budget that was filed with the RIPUC's decision on December 22, 2023 for RIPUC on January 27, 2023 includes \$187 million of capital investment spend. The supplemental rate schedules were filed on February 3, 2023. RIE and the Rhode Island Division of Public Utilities and Carriers reached an agreement on an approximately \$171 million capital investment spending plan, and RIE filed a second supplemental budget on March 13, 2023. The RIPUC held a hearing on the plan on March 14, 2023. At an Open Meeting on March 29, 2023, the RIPUC approved the plan with an adjustment to the budget for the Proactive Main Replacement Program category resulting in a total approved FY 2024 Gas ISR Plan of \$163 million for capital investment spend. On March 31, 2023, the RIPUC approved RIE's March 30, 2023 compliance filing for rates effective April 1, 2023. The RIPUC continues to consider the appropriate rate recovery treatment of projects not covered by an ISR plan for the applicable fiscal year, and additional definitions and procedures that may be implemented related to the ISR plan review and approval process starting with the FY 2025 ISR Plan. A new docket will be opened to address this matter with the goal of implementing changes for the FY 2025 ISR Plan. approval. RIE cannot predict the outcome of these matters.

#### **FY 2024 Electric ISR PlanRate Case Proceedings (KU)**

On April 30, 2024, KU filed a request with the VSCC for an annual increase in Virginia base electricity rates of approximately \$9 million. KU's request is based on an authorized 10.5 % return on equity. Subject to regulatory review and approval, new rates would become effective February 1, 2025.

#### **DSIC Petition (PPL and PPL Electric)**

On December 23, 2022 April 26, 2024, RIE PPL Electric filed its FY 2024 Electric ISR Plan a Petition with the RIPUC. At its January 20, 2023 Open Meeting, PAPUC requesting that the RIPUC directed RIE PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to file supplemental budget and rate schedules to reflect an April 1 to March 31 fiscal year. The supplemental budget filed with 9% for bills rendered on or after January 1, 2025. PPL Electric requested PAPUC approval no later than the RIPUC PAPUC's public meeting on January 27, 2023 includes \$176 million of capital investment spend, \$14 million of vegetation operations and management (O&M) spend and \$3 million of Other O&M spend. The supplemental rate schedules

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were filed on February 3, 2023 December 5, 2024. RIE filed second supplemental budget schedules on March 21, 2023, which includes \$166 million of capital investment spend, \$14 million of vegetation management O&M spend and \$1 million of Other O&M spend. The RIPUC held hearings in March 2023, and on March 29, 2023, approved the plan with modifications to the proposed capital investment spend, resulting in a total approved FY 2024 PPL Electric ISR Plan of \$112 million for capital investment spend, \$14 million for vegetation management O&M spend, and \$1 million for Other O&M spend. On March 31, 2023, the RIPUC approved RIE's March 30, 2023 compliance filing for rates effective April 1, 2023. The RIPUC continues to consider the appropriate rate recovery treatment of projects not covered by an ISR plan for the applicable fiscal year, and additional definitions and procedures that may be implemented related to the ISR plan review and approval process. A new docket has been opened to address this matter with the goal of implementing changes for the FY 2025 ISR Plan. RIE cannot predict the outcome of these matters. this matter.

#### **Labor Union Agreements**

##### **(PPL)**

Labor agreement negotiations with the Rhode Island UWUA commenced in March 2024. In April 2024, a tentative agreement was reached. A vote on the agreement has been scheduled and is currently expected to take place prior to the expiration of the contracts in May 2024. The current contracts cover over 530 employees. RIE cannot predict the outcome of this matter.

##### **(PPL and KU)**

In July 2023, KU and the United Steelworkers of America local ratified a five-year labor agreement through August 2028. The agreement covers approximately 45 employees. The terms of the new labor agreement are not expected to have a significant impact on the financial results of KU.

In August 2023, KU and the IBEW local failed to reach agreement on an annual wage reopener under their existing labor agreement, which expires in August 2024. on August 1, 2024. The agreement covers approximately 60 employees. The parties are currently operating under the terms of a general wage increase unilaterally implemented by KU. The IBEW local has filed certain unfair labor practice claims with the U.S. Department of Labor and approved a strike authorization vote. PPL and KU cannot predict the outcome expects to begin negotiating their new contract during July 2024, ahead of the matter, including any future negotiations, agreements or other developments. August expiration.

##### **(PPL and LG&E)**

LG&E and the IBEW local currently operate under a three-year collective bargaining agreement, which expires on November 10, 2023. The agreement covers approximately 600 employees. The parties commenced negotiations regarding a new collective bargaining agreement on October 16, 2023. PPL and LG&E cannot predict the outcome of this matter, including any future negotiations, agreements or other developments.

#### **Results of Operations**

##### **(PPL)**

The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing the three and nine months ended September 30, 2023 March 31, 2024 with the same periods period in 2022, 2023. The "Segment Earnings" discussion provides a review of results by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.

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(PPL Electric, LG&E and KU)

A "Statement of Income Analysis" is presented separately for PPL Electric, LG&E and KU. The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing the three and nine months ended September 30, 2023 March 31, 2024 with the same periods period in 2022, 2023.

(All Registrants)

The results for interim periods can be disproportionately influenced by numerous factors and developments and by seasonal variations. As such, the results of operations for interim periods do not necessarily indicate results or trends for the year or future periods.

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## PPL: Statement of Income Analysis and Segment Earnings

### Statement of Income Analysis

Net income for the periods ended September 30 March 31 includes the following results:

|                                 |                                 | Three Months |         |         | Nine Months |         |        | Three Months |      |           |
|---------------------------------|---------------------------------|--------------|---------|---------|-------------|---------|--------|--------------|------|-----------|
|                                 |                                 | \$           |         |         | \$          |         |        |              |      |           |
|                                 |                                 | 2023         | 2022    | Change  | 2023        | 2022    | Change | 2024         | 2023 | \$ Change |
| Operating Revenues              | Operating Revenues              | \$2,043      | \$2,134 | \$ (91) | \$6,281     | \$5,612 | \$ 669 |              |      |           |
| Operating Expenses              | Operating Expenses              |              |         |         |             |         |        |              |      |           |
| Operating Expenses              |                                 |              |         |         |             |         |        |              |      |           |
| Operating Expenses              |                                 |              |         |         |             |         |        |              |      |           |
| Operation                       | Operation                       |              |         |         |             |         |        |              |      |           |
| Operation                       |                                 |              |         |         |             |         |        |              |      |           |
| Operation                       |                                 |              |         |         |             |         |        |              |      |           |
| Fuel                            |                                 |              |         |         |             |         |        |              |      |           |
| Fuel                            |                                 |              |         |         |             |         |        |              |      |           |
| Fuel                            | Fuel                            | 199          | 267     | (68)    | 567         | 708     | (141)  |              |      |           |
| Energy purchases                | Energy purchases                | 356          | 436     | (80)    | 1,430       | 1,093   | 337    |              |      |           |
| Other operation and maintenance | Other operation and maintenance | 637          | 678     | (41)    | 1,805       | 1,671   | 134    |              |      |           |
| Depreciation                    | Depreciation                    | 314          | 312     | 2       | 940         | 872     | 68     |              |      |           |
| Taxes, other than income        | Taxes, other than income        | 100          | 100     | —       | 299         | 230     | 69     |              |      |           |
| Total Operating Expenses        | Total Operating Expenses        | 1,606        | 1,793   | (187)   | 5,041       | 4,574   | 467    |              |      |           |
| Operating Income                |                                 |              |         |         |             |         |        |              |      |           |
| Other Income (Expense) - net    | Other Income (Expense) - net    | 16           | 10      | 6       | 51          | 36      | 15     |              |      |           |
| Interest Expense                | Interest Expense                | 165          | 136     | 29      | 494         | 361     | 133    |              |      |           |
| Income Before Income Taxes      | Income Before Income Taxes      | 288          | 215     | 73      | 797         | 713     | 84     |              |      |           |

|              |              |        |        |       |        |        |       |
|--------------|--------------|--------|--------|-------|--------|--------|-------|
| Income Taxes | Income Taxes | 58     | 41     | 17    | 170    | 147    | 23    |
| Net Income   | Net Income   | \$ 230 | \$ 174 | \$ 56 | \$ 627 | \$ 566 | \$ 61 |
| Net Income   |              |        |        |       |        |        |       |
| Net Income   |              |        |        |       |        |        |       |

Operating Revenues

The increase (decrease) in operating revenues was due to:

|   | Three Months | Nine Months |
|---|--------------|-------------|
| PPL Electric distribution price (a)                             | \$ 23        | \$ 63       |
| PPL Electric distribution volume (b)                            | (6)          | (53)        |
| PPL Electric PLR (c)  | (65)         | 33          |
| PPL Electric transmission formula rate (d)                      | 20           | 37          |
| LG&E volumes (b)  | (3)          | (33)        |
| LG&E fuel and other energy purchases (e)                        | (37)         | (88)        |
| LG&E economic relief billing credit, net of amortization of \$0 | —            | 12          |
| KU volumes (b)  | (3)          | (49)        |
| KU fuel and other energy purchases (e)                          | (43)         | (81)        |
| KU economic relief billing credit, net of amortization of \$0   | —            | 5           |
| Acquisition of RIE (f)  | —            | 814         |
| RIE customer bill credits                                       | 50           | 50          |
| RIE electric last resort service                                | (20)         | (20)        |
| Other   | (7)          | (21)        |
| Total   | \$ (91)      | \$ 669      |

|   | Three Months |
|---|--------------|
| PPL Electric distribution price (a)           | \$ 3         |
| PPL Electric distribution volume (b)          | 11           |
| PPL Electric PLR (c)                          | (156)        |
| PPL Electric transmission formula rate (d)    | 18           |
| LG&E volumes (b)                              | 12           |
| LG&E fuel and other energy purchases (e)      | (9)          |
| KU volumes (b)                                | 20           |
| KU fuel and other energy purchases (f)        | 4            |
| RIE energy purchases and other recoveries (g) | (36)         |
| RIE capital investments                       | 13           |
| Other   | 9            |
| Total   | \$ (111)     |

- (a) The increases were increase was primarily due to reconcilable cost recovery mechanisms approved by the PAPUC.
- (b) The decreases were primarily due to milder weather, along with other lower usage in 2023 at PPL Electric.
- (c) The increase for the nine month period was primarily the result of higher energy prices, partially offset by less PLR customers, lower customer volumes due to weather and other lower usage.
- (d) The increases were primarily due to the point to point border rate settlement variance and returns on additional transmission capital investments, partially offset by a lower weather, along with other higher usage in 2024 at PPL zonal peak load billing factor in 2023.
- (e) The decreases were primarily due to lower recoveries of fuel and energy purchases due to lower commodity costs and volumes.
- (f) The increase is primarily due to the results for the nine months ended September 30, 2023 including a full nine months of RIE operations compared to the comparable period in 2022 which includes only operations beginning on the acquisition date of May 25, 2022. Electric.

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- (c) The decrease was primarily the result of fewer PLR customers, and lower energy prices, partially offset by higher customer volumes due to weather and other higher usage.

- Fuel**(d) The increase was primarily due to returns on additional transmission capital investments and delayed implementation of moving to a calendar year rate in 2023, partially offset by the prior year point to point border rate settlement variance.
- (e) The decrease was primarily due to lower recoveries of energy purchases, partially offset by higher recoveries of fuel expense.
- (f) The increase was primarily due to higher recoveries of fuel and energy purchases due to higher commodity costs and volumes.
- (g) The decrease was primarily due to lower recoveries of energy purchases and gross earnings tax, partially offset by higher recoveries of gas maintenance expenses.

## Fuel Energy Purchases

Energy purchases decreased \$68 million \$214 million for the three months ended September 30, 2023 March 31, 2024 compared with 2022, 2023, primarily due to lower PLR prices of \$108 million and lower PLR volumes of \$33 million at PPL Electric, a decrease in commodity costs of \$21 million at LG&E and \$42 million at KU.

Fuel decreased \$141 million for the nine months ended September 30, 2023 compared with 2022, primarily due to a decrease in commodity costs of \$32 million at LG&E and \$62 million at KU and a decrease in volumes due to weather of \$16 million at LG&E and \$32 million at KU.

## Energy Purchases

Energy purchases decreased \$80 million for the three months ended September 30, 2023 compared with 2022, primarily due to lower PLR volumes of \$49 million and lower PLR prices of \$24 million at PPL Electric, a decrease in commodity costs at LG&E of \$11 million and a decrease in commodity costs of \$9 million \$57 million at RIE, partially offset by higher alternative energy credits prices of \$13 million at PPL Electric.

Energy purchases increased \$337 million for the nine months ended September 30, 2023 compared with 2022, primarily due to higher PLR prices of \$137 million and higher alternative energy credits prices of \$22 million at PPL Electric and an additional \$347 million primarily due to the results for the nine months ended September 30, 2023 including a full nine months of RIE operations compared to the comparable period increase in 2022 which includes only operations beginning on the acquisition date of May 25, 2022, partially offset by lower PLR volumes of \$126 million at PPL Electric, a decrease in commodity costs at LG&E of \$20 million and a decrease in volumes \$7 million due to weather at LG&E of \$19 million. &E.

## Other Operation and Maintenance

The increase (decrease) in other operation and maintenance was due to:

|  | Three Months | Nine Months |
|--|--------------|-------------|
| PPL Electric storm costs                       | \$ 9         | \$ 5        |
| PPL Electric vegetation management expenses    | —            | (6)         |
| PPL Electric support costs                     | 8            | 14          |
| PPL Electric bad debts                         | 3            | 14          |
| PPL Electric universal service programs        | —            | (5)         |
| PPL Electric IT cloud amortization costs       | 7            | 20          |
| LG&E plant operations and maintenance expenses | (4)          | (12)        |
| LG&E transmission credits                      | —            | 3           |
| LG&E vegetation management expenses            | (1)          | (5)         |
| KU plant operations and maintenance            | (6)          | (6)         |
| KU generation outage expenses                  | (1)          | (7)         |
| KU transmission credits                        | 1            | 9           |
| KU vegetation management expenses              | (5)          | (9)         |
| Acquisition of RIE (a)                         | —            | 185         |
| Sale of Safari Holdings (b)                    | (67)         | (61)        |
| Transition costs associated with RIE           | 28           | 51          |
| Transaction costs associated with RIE          | —            | (18)        |
| Other  | (13)         | (38)        |
| Total  | \$ (41)      | \$ 134      |

- (a) The increase is primarily due to the results for the nine months ended September 30, 2023 including a full nine months of RIE operations compared to the comparable period in 2022 which includes only operations beginning on the acquisition date of May 25, 2022.
- (b) See Note 8 to the Financial Statements for additional information.

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## Depreciation

Depreciation increased \$68 million for the nine months ended September 30, 2023 compared with 2022, primarily due to the results for the nine months ended September 30, 2023 including a full nine months of RIE operations compared to the comparable period in 2022 which includes only operations beginning on the acquisition date of May 25, 2022.

|                                       | Three Months |
|---------------------------------------|--------------|
| PPL Electric bad debts                | \$ 18        |
| PPL Electric operations costs         | (10)         |
| RIE gas maintenance expense           | 45           |
| RIE energy efficiency program expense | 11           |
| RIE pension expense                   | (10)         |
| Transition costs associated with RIE  | 27           |
| Other                                 | (14)         |
| Total                                 | \$ 67        |

## Taxes, Other Than Income

The increase (decrease) in taxes, other than income was due to:

|                                   | Three Months | Nine Months |
|-----------------------------------|--------------|-------------|
| State gross receipts tax (a)      | \$ (5)       | \$ 29       |
| Domestic property tax expense (a) | 6            | 40          |
| Other                             | (1)          | —           |
| Total                             | \$ —         | \$ 69       |

|   | Three Months |
|---|--------------|
| State gross earnings and gross receipts tax (a) | \$ (30)      |
| Property tax expense                            | 8            |
| Total   | \$ (22)      |

(a) The increase for the nine months ended September 30, 2023 is decrease was primarily due related to the results for the nine months ended September 30, 2023 including a full nine months of RIE operations compared to the comparable period in 2022 which includes only operations beginning on the acquisition date of May 25, 2022, Gross Earnings Tax Holiday Credit.

## Other Income (Expense) - net

The increase (decrease) in other income (expense) - net was due to:

|  | Three Months | Nine Months |
|--|--------------|-------------|
| Defined benefit plans - non-service credits (Note 9) | \$ 6         | \$ 3        |
| Interest income                                      | 4            | 24          |
| Other (a)  | (4)          | (12)        |
| Total  | \$ 6         | \$ 15       |

(a) See Note 12 to the Financial Statements for additional information.

## Interest Expense

The increase (decrease) in interest expense was due to:

|                    | Three Months | Nine Months |
|--------------------|--------------|-------------|
| Long-term debt (a) | \$ 29        | \$ 125      |
| Short-term debt    | —            | 5           |
| Other              | —            | 3           |
| Total              | \$ 29        | \$ 133      |

|                    | Three Months |
|--------------------|--------------|
| Long-term debt (a) | \$ 16        |
| Other              | (1)          |
| Total              | \$ 15        |

- (a) The increases were **increase was** primarily due to increased borrowings at LG&E, KU, PPL Electric, and PPL Capital Funding, along with higher rates at LG&E, KU and PPL Capital Funding. **borrowings**. See Note 7 to the Financial Statements for additional information. **The increase is also due to the results for the nine months ended September 30, 2023 including a full nine months of RIE operations compared to the comparable period in 2022 which includes only operations beginning on the acquisition date of May 25, 2022.**

## Income Taxes

The increase (decrease) in income taxes was due to:

|  | Three Months | Nine Months  |
|--|--------------|--------------|
| Change in pre-tax income                     | \$ 23        | \$ 11        |
| Income tax credits (a)                       | (8)          | (8)          |
| Amortization of excess deferred income taxes | (6)          | 14           |
| State deferred tax rate change               | 6            | 5            |
| Other  | 2            | 1            |
| Total  | <u>\$ 17</u> | <u>\$ 23</u> |

- (a) Primarily includes a deferred tax benefit from renewable tax credits that will be acquired at a discount.

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## Segment Earnings

PPL's Net Income (Loss) by reportable segment for the periods ended **September 30** **March 31** was as follows:

|                            | Three Months  |               |              | Nine Months   |               |              |
|----------------------------|---------------|---------------|--------------|---------------|---------------|--------------|
|                            | 2023          | 2022          | \$ Change    | 2023          | 2022          | \$ Change    |
| Kentucky Regulated (a)     | \$ 175        | \$ 164        | \$ 11        | \$ 432        | \$ 465        | \$ (33)      |
| Pennsylvania Regulated     | 136           | 143           | (7)          | 384           | 410           | (26)         |
| Rhode Island Regulated     | 6             | (26)          | 32           | 70            | (55)          | 125          |
| Corporate and Other (a)(b) | (87)          | (107)         | 20           | (259)         | (254)         | (5)          |
| Net Income                 | <u>\$ 230</u> | <u>\$ 174</u> | <u>\$ 56</u> | <u>\$ 627</u> | <u>\$ 566</u> | <u>\$ 61</u> |

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|                         | Three Months  |               |              |
|-------------------------|---------------|---------------|--------------|
|                         | 2024          | 2023          | \$ Change    |
| Kentucky Regulated      | \$ 190        | \$ 166        | \$ 24        |
| Pennsylvania Regulated  | 149           | 138           | 11           |
| Rhode Island Regulated  | 64            | 54            | 10           |
| Corporate and Other (a) | (96)          | (73)          | (23)         |
| Net Income (Loss)       | <u>\$ 307</u> | <u>\$ 285</u> | <u>\$ 22</u> |

- (a) The financing activity of LKE is presented in Corporate and Other beginning on January 1, 2023. Prior periods have been adjusted to reflect this change.

- (b) Primarily represents financing and certain other costs incurred at the corporate level that have not been allocated or assigned to the segments, which are presented to reconcile segment information to PPL's consolidated results.

## Earnings from Ongoing Operations

Management utilizes "Earnings from Ongoing Operations" as a non-GAAP financial measure that should not be considered as an alternative to net income, an indicator of operating performance determined in accordance with GAAP. PPL believes that Earnings from Ongoing Operations is useful and meaningful to investors because it provides management's view of PPL's earnings performance as another criterion in making investment decisions. In addition, PPL's management uses Earnings from Ongoing Operations in measuring achievement of certain corporate performance goals, including targets for certain executive incentive compensation. Other companies may use different measures to present financial performance.

Earnings from Ongoing Operations is adjusted for the impact of special items. Special items are presented in the financial tables on an after-tax basis with the related income taxes on special items separately disclosed. Income taxes on special items, when applicable, are calculated based on the statutory tax rate of the entity where the activity is recorded. Special items may include items such as:



- Gains and losses on sales of assets not in the ordinary course of business.
- Impairment charges.
- Significant workforce reduction and other restructuring effects.
- Acquisition and divestiture-related adjustments.
- Significant losses on early extinguishment of debt.
- Other charges or credits that are, in management's view, non-recurring or otherwise not reflective of the company's ongoing operations.

PPL's Earnings from Ongoing Operations by reportable segment for the periods ended **September 30** **March 31** were as follows:

|                                  | Three Months  |               |              | Nine Months   |               |              |
|----------------------------------|---------------|---------------|--------------|---------------|---------------|--------------|
|                                  | 2023          | 2022          | \$ Change    | 2023          | 2022          | \$ Change    |
| Kentucky Regulated (a)           | \$ 175        | \$ 166        | \$ 9         | \$ 438        | \$ 473        | \$ (35)      |
| Pennsylvania Regulated           | 145           | 134           | 11           | 399           | 401           | (2)          |
| Rhode Island Regulated           | 22            | 28            | (6)          | 116           | 37            | 79           |
| Corporate and Other (a)          | (25)          | (23)          | (2)          | (69)          | (79)          | 10           |
| Earnings from Ongoing Operations | <u>\$ 317</u> | <u>\$ 305</u> | <u>\$ 12</u> | <u>\$ 884</u> | <u>\$ 832</u> | <u>\$ 52</u> |

(a) The financing activity of LKE is presented in Corporate and Other beginning on January 1, 2023. Prior periods have been adjusted to reflect this change.

|                                  | Three Months  |               |              |
|----------------------------------|---------------|---------------|--------------|
|                                  | 2024          | 2023          | \$ Change    |
| Kentucky Regulated               | \$ 191        | \$ 167        | \$ 24        |
| Pennsylvania Regulated           | 161           | 137           | 24           |
| Rhode Island Regulated           | 78            | 71            | 7            |
| Corporate and Other              | (28)          | (23)          | (5)          |
| Earnings from Ongoing Operations | <u>\$ 402</u> | <u>\$ 352</u> | <u>\$ 50</u> |

See "Reconciliation of Earnings from Ongoing Operations" below for a reconciliation of this non-GAAP financial measure to Net Income.

#### Kentucky Regulated Segment

The Kentucky Regulated segment consists primarily of the **LG&E's and KU's** regulated electricity generation, transmission and distribution operations, **conducted by LG&E and KU**, as well as LG&E's regulated distribution and sale of natural gas.

Net Income and Earnings from Ongoing Operations for the periods ended **September 30** **March 31** include the following results.

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|                                  | Three Months  |               |              | Nine Months   |               |                |
|----------------------------------|---------------|---------------|--------------|---------------|---------------|----------------|
|                                  | 2023          | 2022 (a)      | \$ Change    | 2023          | 2022 (a)      | \$ Change      |
| Operating revenues               | \$ 893        | \$ 977        | \$ (84)      | \$ 2,631      | \$ 2,864      | \$ (233)       |
| Fuel                             | 199           | 267           | (68)         | 567           | 708           | (141)          |
| Energy purchases                 | 23            | 35            | (12)         | 141           | 181           | (40)           |
| Other operation and maintenance  | 199           | 224           | (25)         | 625           | 683           | (58)           |
| Depreciation                     | 174           | 171           | 3            | 521           | 513           | 8              |
| Taxes, other than income         | 24            | 23            | 1            | 70            | 69            | 1              |
| Total operating expenses         | <u>619</u>    | <u>720</u>    | <u>(101)</u> | <u>1,924</u>  | <u>2,154</u>  | <u>(230)</u>   |
| Other Income (Expense) - net     | 3             | 2             | 1            | 9             | 8             | 1              |
| Interest Expense                 | 59            | 53            | 6            | 176           | 149           | 27             |
| Income Taxes                     | 43            | 42            | 1            | 108           | 104           | 4              |
| Net Income                       | <u>175</u>    | <u>164</u>    | <u>11</u>    | <u>432</u>    | <u>465</u>    | <u>(33)</u>    |
| Less: Special Items              | <u>—</u>      | <u>(2)</u>    | <u>2</u>     | <u>(6)</u>    | <u>(8)</u>    | <u>2</u>       |
| Earnings from Ongoing Operations | <u>\$ 175</u> | <u>\$ 166</u> | <u>\$ 9</u>  | <u>\$ 438</u> | <u>\$ 473</u> | <u>\$ (35)</u> |

(a) The financing activity of LKE is presented in Corporate and Other beginning on January 1, 2023. Prior periods have been adjusted to reflect this change.

|                                  | Three Months |        |           |
|----------------------------------|--------------|--------|-----------|
|                                  | 2024         | 2023   | \$ Change |
| Operating Revenues               | \$ 984       | \$ 960 | \$ 24     |
| Fuel                             | 209          | 201    | 8         |
| Energy purchases                 | 77           | 90     | (13)      |
| Other operation and maintenance  | 202          | 209    | (7)       |
| Depreciation                     | 176          | 173    | 3         |
| Taxes, other than income         | 25           | 23     | 2         |
| Total operating expenses         | 689          | 696    | (7)       |
| Other Income (Expense) - net     | 3            | 3      | —         |
| Interest Expense                 | 60           | 58     | 2         |
| Income Taxes                     | 48           | 43     | 5         |
| Net Income                       | 190          | 166    | 24        |
| Less: Special Items              | (1)          | (1)    | —         |
| Earnings from Ongoing Operations | \$ 191       | \$ 167 | \$ 24     |

The following after-tax gains (losses), which management considers special items, impacted the Kentucky Regulated segment's results and are excluded from Earnings from Ongoing Operations during the periods ended **September 30, March 31**.

| Income Statement Line Item                                       | Three Months |        | Nine Months |        |
|--|--------------|--------|-------------|--------|
|  | 2023         | 2022   | 2023        | 2022   |
| Strategic corporate initiatives, net of tax of \$0, \$0, \$2 (a) | \$ —         | \$ (2) | \$ (1)      | \$ (8) |
| FERC transmission credit refund, net of tax of \$2 (b)           | —            | —      | (5)         | —      |
| Total Special Items  | \$ —         | \$ (2) | \$ (6)      | \$ (8) |

| Income Statement Line Item                                  | Three Months |        |
|---|--------------|--------|
|   | 2024         | 2023   |
| Strategic corporate initiatives, net of tax of \$0, \$0 (a) | \$ (1)       | \$ (1) |
| Total Special Items   | \$ (1)       | \$ (1) |

(a) Costs incurred related to PPL's corporate centralization efforts.

(b) Prior period impact related to a FERC refund order. See Note 6 to the Financial Statements for additional information.

The changes in the components of the Kentucky Regulated segment's results between **these the three month** periods **were are** due to the factors set forth below, which exclude the items that management considers special.

|                                  | Three Months |
|----------------------------------|--------------|
| Operating Revenues               | \$ 24        |
| Fuel                             | (8)          |
| Energy purchases                 | 13           |
| Other operation and maintenance  | 7            |
| Depreciation                     | (3)          |
| Taxes, other than income         | (2)          |
| Other Income (Expense) - net     | —            |
| Interest Expense                 | (2)          |
| Income Taxes                     | (5)          |
| Earnings from Ongoing Operations | 24           |
| Special Items, after-tax         | —            |
| Net Income                       | \$ 24        |

- Lower Higher operating revenues for the three month period primarily due to a \$79 million decrease in recoveries of fuel and energy purchases primarily due to lower commodity costs and a \$6 million decrease an increase in sales volumes primarily due related to weather.
- Lower operating revenues for the nine month period Higher fuel expense primarily due to a \$170 million decrease \$13 million increase in recoveries of fuel and energy purchases due to lower commodity costs and lower volumes and an \$82 million decrease in sales generation volumes primarily due to weather, partially offset by a \$17 million increase due to the expiration of the economic relief billing credit in June 2022 and other items that were not individually significant.
- Lower fuel expense for the three month period primarily due to a decrease in commodity costs.
- Lower fuel expense for the nine month period primarily due to a \$94 million decrease in commodity costs and a \$48 million decrease in volumes due to weather.
- Lower energy purchases for the three month period primarily due to a \$5 million decrease in commodity costs.
- Lower energy purchases for the nine month period primarily due to a \$20 million \$21 million decrease in commodity costs, and a \$19 million decrease partially offset by an \$8 million increase in volumes primarily due to weather.
- Lower operation and maintenance expense for the three month period primarily due to a \$10 million decrease in plant operations and maintenance expenses, a \$6 million decrease in vegetation management expenses and other items that were not individually significant.

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- Lower operation and maintenance expense for the nine month period primarily due to an \$18 million decrease in plant operations and maintenance expenses, a \$14 million decrease in vegetation management expenses, an \$11 million decrease in generation outage expenses and other items that were not individually significant.
- Higher interest expense for the three and nine month periods primarily due to increased borrowings at higher rates.

#### Pennsylvania Regulated Segment

The Pennsylvania Regulated segment includes the regulated electricity transmission and distribution operations of PPL Electric.

Net Income and Earnings from Ongoing Operations for the periods ended September 30 March 31 include the following results.

|                                  | Three Months |        |           | Nine Months |          |           |
|----------------------------------|--------------|--------|-----------|-------------|----------|-----------|
|                                  | 2023         | 2022   | \$ Change | 2023        | 2022     | \$ Change |
| Operating revenues               | \$ 737       | \$ 766 | \$ (29)   | \$ 2,295    | \$ 2,217 | \$ 78     |
| Energy purchases                 | 226          | 285    | (59)      | 788         | 759      | 29        |
| Other operation and maintenance  | 151          | 127    | 24        | 454         | 415      | 39        |
| Depreciation                     | 99           | 99     | —         | 297         | 296      | 1         |
| Taxes, other than income         | 36           | 39     | (3)       | 110         | 108      | 2         |
| Total operating expenses         | 512          | 550    | (38)      | 1,649       | 1,578    | 71        |
| Other Income (Expense) - net     | 8            | 7      | 1         | 29          | 24       | 5         |
| Interest Expense                 | 54           | 43     | 11        | 165         | 122      | 43        |
| Income Taxes                     | 43           | 37     | 6         | 126         | 131      | (5)       |
| Net Income                       | 136          | 143    | (7)       | 384         | 410      | (26)      |
| Less: Special Items              | (9)          | 9      | (18)      | (15)        | 9        | (24)      |
| Earnings from Ongoing Operations | \$ 145       | \$ 134 | \$ 11     | \$ 399      | \$ 401   | \$ (2)    |

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|                                 | Three Months |        |           |
|---------------------------------|--------------|--------|-----------|
|                                 | 2024         | 2023   | \$ Change |
| Operating Revenues              | \$ 770       | \$ 891 | \$ (121)  |
| Energy purchases                | 214          | 358    | (144)     |
| Other operation and maintenance | 181          | 162    | 19        |
| Depreciation                    | 99           | 99     | —         |

|                                  |        |        |       |
|----------------------------------|--------|--------|-------|
| Taxes, other than income         | 36     | 44     | (8)   |
| Total operating expenses         | 530    | 663    | (133) |
| Other Income (Expense) - net     | 9      | 12     | (3)   |
| Interest Income from Affiliate   | 10     | —      | 10    |
| Interest Expense                 | 62     | 57     | 5     |
| Income Taxes                     | 48     | 45     | 3     |
| Net Income                       | 149    | 138    | 11    |
| Less: Special Items              | (12)   | 1      | (13)  |
| Earnings from Ongoing Operations | \$ 161 | \$ 137 | \$ 24 |

The following after-tax gains (losses), which management considers special items, impacted the Pennsylvania Regulated segment's results and are excluded from Earnings from Ongoing Operations during the periods ended **September 30, March 31**.

| Income Statement Line Item                                  | Three Months |      | Nine Months |      |
|---|--------------|------|-------------|------|
|   | 2023         | 2022 | 2023        | 2022 |
| PA tax rate change (a)                                      | \$ —         | \$ 9 | \$ 1        | \$ 9 |
| PPL Electric billing issue, net of tax of \$4, \$6 (b)      | (8)          | —    | (14)        | —    |
| PPL Electric billing issue, net of tax of \$0 (b)           | —            | —    | (1)         | —    |
| Strategic corporate initiatives, net of tax of \$0, \$0 (c) | (1)          | —    | (1)         | —    |
| Total Special Items   | \$ (9)       | \$ 9 | \$ (15)     | \$ 9 |

| Income Statement Line Item                             | Three Months |      |
|--|--------------|------|
|  | 2024         | 2023 |
| PA tax rate change (a)                                 | \$ —         | \$ 1 |
| PPL Electric billing issue, net of tax of \$4 (b)      | (11)         | —    |
| Strategic corporate initiatives, net of tax of \$0 (c) | (1)          | —    |
| Total Special Items                                    | \$ (12)      | \$ 1 |

- (a) Impact of Pennsylvania state tax reform. See Note 5 to the Financial Statements for additional information.
- (b) Certain expenses related to billing issues. See Note 6 to the Financial Statements for additional information.
- (c) Costs incurred related to PPL's corporate centralization and other strategic efforts.

The changes in the components of the Pennsylvania Regulated segment's results between **these the three month** periods are due to the factors set forth below, which exclude the items that management considers special.

|                                  | Three Months |
|----------------------------------|--------------|
| Operating Revenues               | \$ (121)     |
| Energy purchases                 | 144          |
| Other operation and maintenance  | (3)          |
| Depreciation                     | —            |
| Taxes, other than income         | 8            |
| Other Income (Expense) - net     | (3)          |
| Interest income from affiliate   | 10           |
| Interest Expense                 | (5)          |
| Income Taxes                     | (6)          |
| Earnings from Ongoing Operations | 24           |
| Special Items, after-tax         | (13)         |
| Net Income                       | \$ 11        |

- Lower operating revenues **for the three month period** primarily due to **\$65 million \$156 million** of lower PLR, partially offset by **\$23 million of higher distribution prices** and **\$20 million of an \$18 million increase in** transmission formula rate **impacts**.

- Higher operating revenues for the nine month period primarily due to \$63 million of higher distribution prices, \$37 million of transmission formula rate impacts returns and \$33 million of higher PLR, partially offset by \$53 million of lower an \$11 million increase in distribution volumes primarily due to weather and other lower usage in 2023, higher 2024 usage.
- Lower energy purchases for the three month period primarily due to lower PLR volumes \$108 million of \$49 million and lower PLR prices and \$33 million of \$24 million, partially offset by higher alternative energy credits prices of \$13 million, lower PLR volumes.
- Higher energy purchases for the nine month period operation and maintenance expense primarily due to higher PLR prices of \$137 million an \$8 million increase in storm costs and higher alternative energy credits prices of \$22 million, a \$5 million increase in vegetation management costs, partially offset by a \$10 million decrease in operations costs.
- Lower taxes, other than income primarily due to lower PLR volumes of \$126 million, gross receipts tax.

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- Higher operation and maintenance expense for the three month period interest income from affiliate primarily due to \$9 million of storm costs and \$7 million of higher IT cloud amortization costs, partially offset by other items that were not individually significant, interest income on a short-term note receivable with an affiliated company.
- Higher operation and maintenance expense for the nine month period primarily due to \$20 million of higher IT cloud amortization costs and \$6 million of unrecoverable bad debt expense, partially offset by \$6 million of lower vegetation management expenses and other items that were not individually significant.
- Higher interest expense for the three and nine month periods primarily due to increased borrowings.

#### [Rhode Island Regulated Segment](#)

The Rhode Island Regulated segment consists primarily of the regulated electricity transmission and distribution operations and regulated distribution and sale of natural gas conducted by RIE.

Net Income and Earnings from Ongoing Operations for the periods ended September 30 March 31 include the following results.

|                                  | Three Months |        |           | Nine Months |        |               |
|----------------------------------|--------------|--------|-----------|-------------|--------|---------------|
|                                  | 2023         | 2022   | \$ Change | 2023        | 2022   | \$ Change (a) |
| Operating revenues               | \$ 413       | \$ 384 | \$ 29     | \$ 1,355    | \$ 512 | \$ 843        |
| Energy purchases                 | 107          | 116    | (9)       | 501         | 154    | 347           |
| Other operation and maintenance  | 207          | 215    | (8)       | 485         | 308    | 177           |
| Depreciation                     | 41           | 38     | 3         | 120         | 53     | 67            |
| Taxes, other than income         | 39           | 39     | —         | 119         | 53     | 66            |
| Total operating expenses         | 394          | 408    | (14)      | 1,225       | 568    | 657           |
| Other Income (Expense) - net     | 6            | 5      | 1         | 10          | 7      | 3             |
| Interest Expense                 | 21           | 15     | 6         | 60          | 22     | 38            |
| Income Taxes                     | (2)          | (8)    | 6         | 10          | (16)   | 26            |
| Net Income                       | 6            | (26)   | 32        | 70          | (55)   | 125           |
| Less: Special Items              | (16)         | (54)   | 38        | (46)        | (92)   | 46            |
| Earnings from Ongoing Operations | \$ 22        | \$ 28  | \$ (6)    | \$ 116      | \$ 37  | \$ 79         |

(a) The increase is primarily due to the results for the nine months ended September 30, 2023 including a full nine months of RIE operations compared to the comparable period in 2022 which includes only operations beginning on the acquisition date of May 25, 2022.

|                                 | Three Months |        |           |
|---------------------------------|--------------|--------|-----------|
|                                 | 2024         | 2023   | \$ Change |
| Operating Revenues              | \$ 549       | \$ 565 | \$ (16)   |
| Energy purchases                | 229          | 286    | (57)      |
| Other operation and maintenance | 156          | 120    | 36        |
| Depreciation                    | 41           | 39     | 2         |
| Taxes, other than income        | 27           | 43     | (16)      |
| Total operating expenses        | 453          | 488    | (35)      |
| Other Income (Expense) - net    | 7            | 10     | (3)       |
| Interest Expense                | 24           | 19     | 5         |

|                                  |       |       |      |
|----------------------------------|-------|-------|------|
| Income Taxes                     | 15    | 14    | 1    |
| Net Income                       | 64    | 54    | 10   |
| Less: Special Items              | (14)  | (17)  | 3    |
| Earnings from Ongoing Operations | \$ 78 | \$ 71 | \$ 7 |

The following after-tax gains (losses), which management considers special items, impacted the Rhode Island Regulated segment's results and are excluded from Earnings from Ongoing Operations during the periods ended **September 30**, **March 31**.

| Income Statement Line Item                                      | Three Months                    |                 | Nine Months     |      |
|---|---------------------------------|-----------------|-----------------|------|
|   | 2023                            | 2022            | 2023            | 2022 |
| Acquisition integration, net of tax of \$4, \$4, \$12, \$14 (a) | Other operation and maintenance | \$ (16) \$ (14) | \$ (46) \$ (53) |      |
| Acquisition integration, net of tax of \$0 (a)                  | Other Income (Expense) - net    | — —             | — 1             |      |
| Acquisition integration, net of tax of \$10, \$10 (a)           | Operating revenues              | — (40)          | — (40)          |      |
| Total Special Items   | \$ (16) \$ (54)                 | \$ (46) \$ (92) |                 |      |

| Income Statement Line Item                          | Three Months                    |                 |
|---|---------------------------------|-----------------|
|   | 2024                            | 2023            |
| Acquisition integration, net of tax of \$4, \$5 (a) | Other operation and maintenance | \$ (14) \$ (17) |
| Total Special Items                                 | \$ (14) \$ (17)                 |                 |

(a) Includes costs incurred primarily related to **Primarily includes** certain TSA costs for IT systems that will not be part of **PPL's PPL's** ongoing operations. **2022** also includes costs for certain commitments made during the acquisition process.

The changes in the components of the Rhode Island Regulated segment's results between the three month **period periods** are due to the factors set forth below, which exclude the items that management considers special.

|                                  | Three Months |
|----------------------------------|--------------|
| Operating Revenues               | \$ (16)      |
| Energy purchases                 | 57           |
| Other operation and maintenance  | (40)         |
| Depreciation                     | (2)          |
| Taxes, other than income         | 16           |
| Other Income (Expense) - net     | (3)          |
| Interest Expense                 | (5)          |
| Income Taxes                     | —            |
| Earnings from Ongoing Operations | 7            |
| Special Items, after-tax         | 3            |
| Net Income                       | \$ 10        |

- Lower operating revenues **for the three month period** primarily due to **\$20 million** a **\$57 million decrease in recovery** of **lower electric last resort service** energy purchases, a **\$22 million decrease in recovery** of gross earnings tax and **\$13 million** a **\$10 million decrease in recovery** of **lower transmission pass through revenue**, pension expenses, partially offset by a **\$45 million increase in recovery** of gas maintenance expenses, a **\$13 million increase related to capital investments**, an **\$11**

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**million increase in recovery** of energy efficiency program expenses and a **\$7 million increase related to transmission revenue**, formula rates.

- Lower energy purchases **for the three month period** primarily due to a decrease in commodity costs.
- Lower Higher** operation and maintenance expense **for the three month period** primarily due to **\$13 million of lower pass through transmission costs**, a **\$45 million increase in gas maintenance expenses** and an **\$11 million increase in energy efficiency program expenses**, partially offset by **\$9 million of higher labor costs** due to the filling of open positions.

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- Higher depreciation expense for the three month period primarily due to additions to PP&E, net of retirements. a \$10 million decrease in pension expenses.
- Higher interest expense for the three month period primarily due to increased short-term debt. borrowings.
- Lower income taxes, for the three month period other than income primarily due to the change a \$22 million decrease in pre-tax income. gross earnings tax, partially offset by a \$6 million increase in property tax.

#### Reconciliation of Earnings from Ongoing Operations

The following tables contain after-tax gains (losses), in total, which management considers special items, that are excluded from Earnings from Ongoing Operations and a reconciliation to PPL's "Net Income" for the periods ended September 30. March 31.

|   | 2022 Nine Months  |                 |                 |                        |               |
|---|-------------------|-----------------|-----------------|------------------------|---------------|
|   | 2023 Three Months |                 |                 |                        |               |
|   | KY<br>Regulated   | PA<br>Regulated | RI<br>Regulated | Corporate<br>and Other | Total         |
| <b>Net Income</b>   | \$ 175            | \$ 136          | \$ 6            | \$ (87)                | \$ 230        |
| Less: Special Items (expense) benefit:                      |                   |                 |                 |                        |               |
| Talen litigation costs, net of tax of \$1 (a)               | —                 | —               | —               | (3)                    | (3)           |
| Strategic corporate initiatives, net of tax of \$0, \$1 (b) | —                 | (1)             | —               | (3)                    | (4)           |
| Acquisition integration, net of tax of \$4, \$15 (c)        | —                 | —               | (16)            | (55)                   | (71)          |
| Sale of Safari Holdings, net of tax of (\$1) (d)            | —                 | —               | —               | 1                      | 1             |
| PPL Electric billing issue, net of tax of \$4 (e)           | —                 | (8)             | —               | —                      | (8)           |
| Other non-recurring charges, net of tax of \$0 (f)          | —                 | —               | —               | (2)                    | (2)           |
| <b>Total Special Items</b>                                  | —                 | (9)             | (16)            | (62)                   | (87)          |
| <b>Earnings from Ongoing Operations</b>                     | <u>\$ 175</u>     | <u>\$ 145</u>   | <u>\$ 22</u>    | <u>\$ (25)</u>         | <u>\$ 317</u> |

|  | 2024 Three Months |                 |                 |                        |               |
|--|-------------------|-----------------|-----------------|------------------------|---------------|
|  | KY<br>Regulated   | PA<br>Regulated | RI<br>Regulated | Corporate<br>and Other | Total         |
|  |                   |                 |                 |                        |               |
| <b>Net Income (Loss)</b>   | \$ 190            | \$ 149          | \$ 64           | \$ (96)                | \$ 307        |
| Less: Special Items (expense) benefit:                           |                   |                 |                 |                        |               |
| Strategic corporate initiatives, net of tax of \$0, \$0, \$1 (a) | (1)               | (1)             | —               | (2)                    | (4)           |
| Acquisition integration, net of tax of \$4, \$17 (b)             | —                 | —               | (14)            | (66)                   | (80)          |
| PPL Electric billing issue, net of tax of \$4 (c)                | —                 | (11)            | —               | —                      | (11)          |
| <b>Total Special Items</b>                                       | (1)               | (12)            | (14)            | (68)                   | (95)          |
| <b>Earnings from Ongoing Operations</b>                          | <u>\$ 191</u>     | <u>\$ 161</u>   | <u>\$ 78</u>    | <u>\$ (28)</u>         | <u>\$ 402</u> |

- (a) PPL incurred legal expenses related to litigation with its former affiliate, Talen Montana. See Note 10 to the Financial Statements for additional information.
- (b) Represents costs primarily related to PPL's centralization efforts and other strategic efforts.
- (c) (b) Rhode Island Regulated includes costs incurred primarily related to includes certain TSA costs for IT systems that will not be part of PPL's PPL's ongoing operations. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE. See Note 8 to the Financial Statements for additional information.
- (d) Primarily final closing and other related adjustments for the sale of Safari Holdings.
- (e) (c) Certain expenses related to billing issues. See Note 6 to the Financial Statements for additional information.
- (f) Certain expenses related to distributed energy investments.

|                   | 2022 Three Months   |                 |                 |                            |        |
|-------------------|---------------------|-----------------|-----------------|----------------------------|--------|
|                   | KY<br>Regulated (e) | PA<br>Regulated | RI<br>Regulated | Corporate<br>and Other (e) | Total  |
|                   |                     |                 |                 |                            |        |
| <b>Net Income</b> | \$ 164              | \$ 143          | \$ (26)         | \$ (107)                   | \$ 174 |

|  |               |               |              |                |               |
|--|---------------|---------------|--------------|----------------|---------------|
| Less: Special Items (expense) benefit:                 |               |               |              |                |               |
| Strategic corporate initiatives, net of tax of \$0 (a) | (2)           | —             | —            | —              | (2)           |
| Acquisition integration, net of tax of \$14, \$6 (b)   | —             | —             | (54)         | (22)           | (76)          |
| Solar panel impairment, net of tax of \$0              | —             | —             | —            | (1)            | (1)           |
| PA tax rate change (c)                                 | —             | 9             | —            | (5)            | 4             |
| Sale of Safari Holdings, net of tax of \$19 (d)        | —             | —             | —            | (56)           | (56)          |
| <b>Total Special Items</b>                             | <b>(2)</b>    | <b>9</b>      | <b>(54)</b>  | <b>(84)</b>    | <b>(131)</b>  |
| <b>Earnings from Ongoing Operations</b>                | <b>\$ 166</b> | <b>\$ 134</b> | <b>\$ 28</b> | <b>\$ (23)</b> | <b>\$ 305</b> |

(a) Costs incurred primarily in connection with corporate centralization efforts.

(b) Rhode Island Regulated includes costs incurred primarily related to certain TSA costs for IT systems that will not be part of PPL's ongoing operations and costs for certain commitments made during the acquisition process. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.

(c) Impact of Pennsylvania state tax reform. See Note 5 to the Financial Statements for additional information.

(d) Primarily the estimated loss on the sale of Safari Holdings at September 30, 2022.

(e) The financing activity of LKE is presented in Corporate and Other beginning on January 1, 2023. Prior periods have been adjusted to reflect this change.

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|  | 2023 Nine Months |               |               |                |               |
|--|------------------|---------------|---------------|----------------|---------------|
|  | KY               | PA            | RI            | Corporate      | Total         |
|  | Regulated        | Regulated     | Regulated     | and Other      |               |
| <b>Net Income</b>  | \$ 432           | \$ 384        | \$ 70         | \$ (259)       | \$ 627        |
| Less: Special Items (expense) benefit:                           |                  |               |               |                |               |
| Talen litigation costs, net of tax of \$2 (a)                    | —                | —             | —             | (6)            | (6)           |
| Strategic corporate initiatives, net of tax of \$0, \$0, \$2 (b) | (1)              | (1)           | —             | (7)            | (9)           |
| Acquisition integration, net of tax of \$12, \$42 (c)            | —                | —             | (46)          | (159)          | (205)         |
| PA tax rate change (d)   | —                | 1             | —             | —              | 1             |
| Sale of Safari Holdings, net of tax of \$1 (e)                   | —                | —             | —             | (3)            | (3)           |
| PPL Electric billing issue, net of tax of \$6 (f)                | —                | (15)          | —             | —              | (15)          |
| FERC transmission credit refund, net of tax of \$2 (g)           | (5)              | —             | —             | —              | (5)           |
| Other non-recurring charges, net of tax of \$0 (h)               | —                | —             | —             | (15)           | (15)          |
| <b>Total Special Items</b>                                       | <b>(6)</b>       | <b>(15)</b>   | <b>(46)</b>   | <b>(190)</b>   | <b>(257)</b>  |
| <b>Earnings from Ongoing Operations</b>                          | <b>\$ 438</b>    | <b>\$ 399</b> | <b>\$ 116</b> | <b>\$ (69)</b> | <b>\$ 884</b> |

|   | 2023 Three Months |               |              |                |               |
|---|-------------------|---------------|--------------|----------------|---------------|
|   | KY                | PA            | RI           | Corporate      | Total         |
|   | Regulated         | Regulated     | Regulated    | and Other      |               |
| <b>Net Income (Loss)</b>                                    | \$ 166            | \$ 138        | \$ 54        | \$ (73)        | \$ 285        |
| Less: Special Items (expense) benefit:                      |                   |               |              |                |               |
| Talen litigation costs, net of tax of \$0 (a)               | —                 | —             | —            | (1)            | (1)           |
| Strategic corporate initiatives, net of tax of \$0, \$0 (b) | (1)               | —             | —            | (1)            | (2)           |
| Acquisition integration, net of tax of \$5, \$12 (c)        | —                 | —             | (17)         | (44)           | (61)          |
| PA tax rate change (d)                                      | —                 | 1             | —            | —              | 1             |
| Sale of Safari Holdings, net of tax of \$0 (e)              | —                 | —             | —            | (4)            | (4)           |
| <b>Total Special Items</b>                                  | <b>(1)</b>        | <b>1</b>      | <b>(17)</b>  | <b>(50)</b>    | <b>(67)</b>   |
| <b>Earnings from Ongoing Operations</b>                     | <b>\$ 167</b>     | <b>\$ 137</b> | <b>\$ 71</b> | <b>\$ (23)</b> | <b>\$ 352</b> |

(a) PPL incurred legal expenses related to litigation with its former affiliate, Talen Montana. See Note 10 to the Financial Statements for additional information.

(b) Represents costs incurred primarily related to PPL's in connection with corporate centralization efforts and other strategic efforts.

(c) Rhode Island Regulated includes costs incurred primarily related to includes certain TSA costs for IT systems that will not be part of PPL's PPL's ongoing operations. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE. See Note 8 to the Financial Statements for additional information.



- (d) Impact of Pennsylvania state tax reform. See Note 5 to the Financial Statements for additional information.
- (e) Primarily final Final closing and other adjustments related adjustments for to the sale of Safari Holdings.
- (f) Certain expenses related to billing issues. See Note 6 to the Financial Statements for additional information.
- (g) Prior period impact related to a FERC refund order. See Note 6 to the Financial Statements for additional information.
- (h) Certain expenses related to distributed energy investments.

|   | 2022 Nine Months |           |           |               |        |
|---|------------------|-----------|-----------|---------------|--------|
|   | KY               | PA        | RI        | Corporate     | Total  |
|   | Regulated (f)    | Regulated | Regulated | and Other (f) |        |
| Net Income  | \$ 465           | \$ 410    | \$ (55)   | \$ (254)      | \$ 566 |
| Less: Special Items (expense) benefit:                      |                  |           |           |               |        |
| Talen litigation costs, net of tax of \$(1) (a)             | —                | —         | —         | 5             | 5      |
| Strategic corporate initiatives, net of tax of \$2, \$4 (b) | (8)              | —         | —         | (15)          | (23)   |
| Acquisition integration, net of tax of \$24, \$28 (c)       | —                | —         | (92)      | (104)         | (196)  |
| PA tax rate change (d)                                      | —                | 9         | —         | (5)           | 4      |
| Sale of Safari Holdings, net of tax of \$19 (e)             | —                | —         | —         | (56)          | (56)   |
| Total Special Items   | (8)              | 9         | (92)      | (175)         | (266)  |
| Earnings from Ongoing Operations                            | \$ 473           | \$ 401    | \$ 37     | \$ (79)       | \$ 832 |

- (a) PPL incurred legal expenses and received insurance reimbursement related to litigation with its former affiliate, Talen Montana. See Note 10 to the Financial Statements for additional information.
- (b) Costs incurred primarily related to the acquisition of RIE and corporate centralization efforts.
- (c) Rhode Island Regulated includes costs incurred primarily related to certain TSA costs for IT systems that will not be part of PPL's ongoing operations and costs for certain commitments made during the acquisition process. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.
- (d) Impact of Pennsylvania state tax reform. See Note 5 to the Financial Statements for additional information.
- (e) Primarily the estimated loss on the sale of Safari Holdings at September 30, 2022.
- (f) The financing activity of LKE is presented in Corporate and Other beginning on January 1, 2023. Prior periods have been adjusted to reflect this change.

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PPL Electric: Statement of Income Analysis

Statement of Income Analysis

Net income for the periods ended September 30 March 31 includes the following results.

|                                 |                                 | Three Months |       |         | Nine Months |         |        | Three Months |      |           |
|---------------------------------|---------------------------------|--------------|-------|---------|-------------|---------|--------|--------------|------|-----------|
|                                 |                                 | \$           |       |         | \$          |         |        |              |      |           |
|                                 |                                 | 2023         | 2022  | Change  | 2023        | 2022    | Change | 2024         | 2023 | \$ Change |
| Operating Revenues              | Operating Revenues              | \$737        | \$766 | \$ (29) | \$2,295     | \$2,217 | \$ 78  |              |      |           |
| Operating Expenses              | Operating Expenses              |              |       |         |             |         |        |              |      |           |
| Operation                       | Operation                       |              |       |         |             |         |        |              |      |           |
| Operation                       | Operation                       |              |       |         |             |         |        |              |      |           |
| Energy purchases                | Energy purchases                |              |       |         |             |         |        |              |      |           |
| Energy purchases                | Energy purchases                |              |       |         |             |         |        |              |      |           |
| Energy purchases                | Energy purchases                | 226          | 285   | (59)    | 788         | 759     | 29     |              |      |           |
| Other operation and maintenance | Other operation and maintenance |              |       |         |             |         |        |              |      |           |
| Other operation and maintenance | Other operation and maintenance |              |       |         |             |         |        |              |      |           |

|                                 |                                 |       |       |        |        |        |         |
|---------------------------------|---------------------------------|-------|-------|--------|--------|--------|---------|
| Other operation and maintenance | Other operation and maintenance | 151   | 127   | 24     | 454    | 415    | 39      |
| Depreciation                    | Depreciation                    | 99    | 99    | —      | 297    | 296    | 1       |
| Taxes, other than income        | Taxes, other than income        | 36    | 39    | (3)    | 110    | 108    | 2       |
| Total Operating Expenses        | Total Operating Expenses        | 512   | 550   | (38)   | 1,649  | 1,578  | 71      |
| Operating Income                |                                 |       |       |        |        |        |         |
| Other Income (Expense) - net    | Other Income (Expense) - net    | 8     | 6     | 2      | 29     | 19     | 10      |
| Interest Income from Affiliate  | Interest Income from Affiliate  | —     | 1     | (1)    | —      | 5      | (5)     |
| Interest Expense                | Interest Expense                | 54    | 43    | 11     | 165    | 122    | 43      |
| Income Before Income Taxes      |                                 |       |       |        |        |        |         |
| Income Taxes                    | Income Taxes                    | 43    | 37    | 6      | 126    | 131    | (5)     |
| Net Income                      | Net Income                      | \$136 | \$143 | \$ (7) | \$ 384 | \$ 410 | \$ (26) |

## Operating Revenues

The increase (decrease) in operating revenues was due to:

|                               | Three Months | Nine Months |
|-------------------------------|--------------|-------------|
| Distribution price (a)        | \$ 23        | \$ 63       |
| Distribution volume (b)       | (6)          | (53)        |
| PLR (c)                       | (65)         | 33          |
| Transmission formula rate (d) | 20           | 37          |
| Other                         | (1)          | (2)         |
| Total                         | \$ (29)      | \$ 78       |

|                               | Three Months |
|-------------------------------|--------------|
| Distribution price (a)        | \$ 3         |
| Distribution volume (b)       | 11           |
| PLR (c)                       | (156)        |
| Transmission formula rate (d) | 18           |
| Other                         | 3            |
| Total                         | \$ (121)     |

- (a) The increases were increase was primarily due to reconcilable cost recovery mechanisms approved by the PAPUC.
- (b) The decreases were increase was primarily due to milder weather and other lower higher usage in 2023, 2024.
- (c) The increase for the nine month period decrease was primarily the result of higher fewer PLR customers, and lower energy prices, partially offset by less PLR customers, lower higher customer volumes due to weather and other lower higher usage.
- (d) The increases were increase was primarily due to returns on additional transmission capital investments and delayed implementation of moving to a calendar year rate in 2023, partially offset by the prior year point to point border rate settlement variance and returns on additional transmission capital investments, partially offset by a lower PPL zonal peak load billing factor in 2023. variance.

## Energy Purchases

Energy purchases decreased \$59 million \$144 million for the three months ended September 30, 2023 March 31, 2024 compared with 2022, 2023, primarily due to lower PLR volumes of \$49 million and lower PLR prices of \$24 million, partially offset by higher alternative energy credits prices of \$13 million.

Energy purchases increased \$29 million for the nine months ended September 30, 2023 compared with 2022, primarily due to higher PLR prices of \$137 million \$108 million and higher alternative energy credits prices of \$22 million, partially offset by lower PLR volumes of \$126 million \$33 million.

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## Other Operation and Maintenance

The increase (decrease) in other operation and maintenance was due to:

|                             | Three Months | Nine Months |
|-----------------------------|--------------|-------------|
| Support costs               | \$ 8         | \$ 14       |
| IT cloud amortization costs | 7            | 20          |
| Vegetation management costs | —            | (6)         |
| Storm costs                 | 9            | 5           |
| Universal service rider     | —            | (5)         |
| Bad debts                   | 3            | 14          |
| Other                       | (3)          | (3)         |
| Total                       | \$ 24        | \$ 39       |

|                               | Three Months |
|-------------------------------|--------------|
| Vegetation management expense | \$ 5         |
| Storm costs                   | 8            |
| Operations costs              | (10)         |
| Bad debts                     | 18           |
| Other                         | (2)          |
| Total                         | \$ 19        |

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## Taxes, other than income

Taxes, other than income decreased \$8 million for the three months ended March 31, 2024 compared with 2023, primarily due to lower gross receipts tax.

## Interest Expense Income from Affiliate

Interest expense income from affiliate increased \$11 million and \$43 million \$10 million for the three and nine months ended September 30, 2023 March 31, 2024 compared with the corresponding periods in 2022, 2023, primarily due to increased borrowings. interest income on a short-term note receivable with an affiliated company.

## LG&E: Statement of Income Analysis

### Statement of Income Analysis

Net income for the periods ended September 30 March 31 includes the following results.

|                                 |                                 | Three Months |       |         | Nine Months |         |          | Three Months |      |           |
|---------------------------------|---------------------------------|--------------|-------|---------|-------------|---------|----------|--------------|------|-----------|
|                                 |                                 | \$           |       |         | \$          |         |          |              |      |           |
|                                 |                                 | 2023         | 2022  | Change  | 2023        | 2022    | Change   | 2024         | 2023 | \$ Change |
| Operating Revenues              | Operating Revenues              |              |       |         |             |         |          |              |      |           |
| Retail and wholesale            | Retail and wholesale            | \$396        | \$433 | \$ (37) | \$1,204     | \$1,313 | \$ (109) |              |      |           |
| Retail and wholesale            |                                 |              |       |         |             |         |          |              |      |           |
| Retail and wholesale            |                                 |              |       |         |             |         |          |              |      |           |
| Electric revenue from affiliate | Electric revenue from affiliate | 2            | 3     | (1)     | 23          | 26      | (3)      |              |      |           |
| Total Operating Revenues        | Total Operating Revenues        | 398          | 436   | (38)    | 1,227       | 1,339   | (112)    |              |      |           |
| Operating Expenses              | Operating Expenses              |              |       |         |             |         |          |              |      |           |

|                                 |                                 |       |       |      |        |        |         |
|---------------------------------|---------------------------------|-------|-------|------|--------|--------|---------|
| Operation                       | Operation                       |       |       |      |        |        |         |
| Operation                       |                                 |       |       |      |        |        |         |
| Operation                       |                                 |       |       |      |        |        |         |
| Fuel                            |                                 |       |       |      |        |        |         |
| Fuel                            |                                 |       |       |      |        |        |         |
| Fuel                            | Fuel                            | 70    | 94    | (24) | 217    | 265    | (48)    |
| Energy purchases                | Energy purchases                | 17    | 28    | (11) | 123    | 162    | (39)    |
| Energy purchases from affiliate | Energy purchases from affiliate | 8     | 9     | (1)  | 11     | 18     | (7)     |
| Other operation and maintenance | Other operation and maintenance | 91    | 98    | (7)  | 275    | 301    | (26)    |
| Depreciation                    | Depreciation                    | 76    | 74    | 2    | 227    | 223    | 4       |
| Taxes, other than income        | Taxes, other than income        | 12    | 12    | —    | 36     | 36     | —       |
| Total Operating Expenses        | Total Operating Expenses        | 274   | 315   | (41) | 889    | 1,005  | (116)   |
| Operating Income                |                                 |       |       |      |        |        |         |
| Other Income (Expense) - net    | Other Income (Expense) - net    | —     | —     | —    | 2      | 3      | (1)     |
| Interest Income from Affiliates |                                 | 1     | —     | 1    | 1      | —      | 1       |
| Interest Expense                | Interest Expense                | 25    | 23    | 2    | 76     | 64     | 12      |
| Interest Expense                |                                 |       |       |      |        |        |         |
| Interest Expense                |                                 |       |       |      |        |        |         |
| Income Before Income Taxes      |                                 |       |       |      |        |        |         |
| Income Taxes                    | Income Taxes                    | 21    | 21    | —    | 55     | 49     | 6       |
| Net Income                      | Net Income                      | \$ 79 | \$ 77 | \$ 2 | \$ 210 | \$ 224 | \$ (14) |

Operating Revenues

The increase (decrease) in operating revenues was due to:

|  | Three Months | Nine Months |
|--|--------------|-------------|
| Fuel and other energy purchases (a)                        | \$ (37)      | \$ (90)     |
| Volumes (b)  | (3)          | (33)        |
| Economic relief billing credit, net of amortization of \$0 | —            | 12          |
| Other  | 2            | (1)         |
| Total  | \$ (38)      | \$ (112)    |

|                                     | Three Months |
|-------------------------------------|--------------|
| Fuel and other energy purchases (a) | \$ (6)       |
| Volumes (b)                         | 12           |
| Other                               | (4)          |
| Total                               | \$ 2         |

(a) The decreases were decrease was primarily due to lower recoveries of fuel and energy purchases, due to lower commodity costs and volumes.

Table partially offset by higher recoveries of Contentsfuel expense.

(b) The decreases were increase was primarily due to weather.

Fuel

Fuel decreased \$24 million expense increased \$7 million for the three months ended September 30, 2023 March 31, 2024 compared with 2022, 2023, primarily due to a decrease an increase in commodity costs.

Fuel decreased \$48 million for the nine months ended September 30, 2023 compared with 2022, volumes due to a \$32 million decrease in commodity costs and a \$16 million decrease in volumes primarily due to weather.

Energy Purchases

Energy purchases decreased \$11 million for the three months ended September 30, 2023 compared with 2022, primarily due to a decrease in commodity costs.

Energy purchases decreased \$39 million for the nine months ended September 30, 2023 compared with 2022, due to a \$20 million decrease in commodity costs and a \$19 million decrease in volumes primarily due to weather.

Other Operation and Maintenance

The increase (decrease) in other operation and maintenance was due to:

|  | Three Months |  |     | Nine Months |  |      |
|--|--------------|--|-----|-------------|--|------|
|  | \$           |  |     | \$          |  |      |
| Plant operations and maintenance expense |              |  | (4) |             |  | (12) |
| Transmission credits                     |              |  | —   |             |  | 3    |
| Generation outage expenses               |              |  | —   |             |  | (4)  |
| Vegetation management expense            |              |  | (1) |             |  | (5)  |
| Storm costs                              |              |  | 4   |             |  | 4    |
| Other                                    |              |  | (6) |             |  | (12) |
| Total                                    | \$           |  | (7) | \$          |  | (26) |

Interest Expense

Interest expense increased \$12 million for the nine months ended September 30, 2023 compared with 2022, primarily due to increased borrowings at higher rates.

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Energy Purchases

Energy purchases decreased \$13 million for the three months ended March 31, 2024 compared with 2023, primarily due to a \$21 million decrease in commodity costs, partially offset by a \$7 million increase in volumes due to weather.

KU: Statement of Income Analysis

Statement of Income Analysis

Net income for the periods ended September 30 March 31 includes the following results.

|                                 |                                 | Three Months |       |         | Nine Months |         |          | Three Months |  |      |           |
|---------------------------------|---------------------------------|--------------|-------|---------|-------------|---------|----------|--------------|--|------|-----------|
|                                 |                                 | \$           |       |         | \$          |         |          |              |  |      |           |
|                                 |                                 | 2023         | 2022  | Change  | 2023        | 2022    | Change   | 2024         |  | 2023 | \$ Change |
| Operating Revenues              | Operating Revenues              |              |       |         |             |         |          |              |  |      |           |
| Retail and wholesale            | Retail and wholesale            | \$497        | \$544 | \$ (47) | \$1,428     | \$1,551 | \$ (123) |              |  |      |           |
| Retail and wholesale            |                                 |              |       |         |             |         |          |              |  |      |           |
| Retail and wholesale            |                                 |              |       |         |             |         |          |              |  |      |           |
| Electric revenue from affiliate | Electric revenue from affiliate | 8            | 9     | (1)     | 11          | 18      | (7)      |              |  |      |           |
| Total Operating Revenues        | Total Operating Revenues        | 505          | 553   | (48)    | 1,439       | 1,569   | (130)    |              |  |      |           |

|                                 |                                 |       |       |      |        |        |         |
|---------------------------------|---------------------------------|-------|-------|------|--------|--------|---------|
| Operating Expenses              | Operating Expenses              |       |       |      |        |        |         |
| Operation                       | Operation                       |       |       |      |        |        |         |
| Operation                       |                                 |       |       |      |        |        |         |
| Operation                       |                                 |       |       |      |        |        |         |
| Fuel                            |                                 |       |       |      |        |        |         |
| Fuel                            |                                 |       |       |      |        |        |         |
| Fuel                            | Fuel                            | 129   | 174   | (45) | 350    | 444    | (94)    |
| Energy purchases                | Energy purchases                | 6     | 6     | —    | 18     | 18     | —       |
| Energy purchases from affiliate | Energy purchases from affiliate | 2     | 3     | (1)  | 23     | 26     | (3)     |
| Other operation and maintenance | Other operation and maintenance | 101   | 115   | (14) | 327    | 348    | (21)    |
| Depreciation                    | Depreciation                    | 98    | 96    | 2    | 294    | 289    | 5       |
| Taxes, other than income        | Taxes, other than income        | 12    | 11    | 1    | 34     | 33     | 1       |
| Total Operating Expenses        | Total Operating Expenses        | 348   | 405   | (57) | 1,046  | 1,158  | (112)   |
| Operating Income                |                                 |       |       |      |        |        |         |
| Other Income (Expense) - net    | Other Income (Expense) - net    | 1     | 2     | (1)  | 6      | 6      | —       |
| Interest Expense                | Interest Expense                | 33    | 31    | 2    | 99     | 86     | 13      |
| Interest Expense with Affiliate |                                 | —     | —     | —    | 1      | —      | 1       |
| Income Before Income Taxes      |                                 |       |       |      |        |        |         |
| Income Before Income Taxes      |                                 |       |       |      |        |        |         |
| Income Before Income Taxes      |                                 |       |       |      |        |        |         |
| Income Taxes                    | Income Taxes                    | 24    | 24    | —    | 59     | 63     | (4)     |
| Net Income                      | Net Income                      | \$101 | \$ 95 | \$ 6 | \$ 240 | \$ 268 | \$ (28) |

## Operating Revenues

The increase (decrease) in operating revenues was due to:

|  | Three Months | Nine Months |
|--|--------------|-------------|
| Fuel and other energy purchases (a)                        | \$ (44)      | \$ (85)     |
| Economic relief billing credit, net of amortization of \$0 | —            | 5           |
| Volumes (b)  | (3)          | (49)        |
| Other  | (1)          | (1)         |
| Total  | \$ (48)      | \$ (130)    |

|                                     | Three Months |
|-------------------------------------|--------------|
| Fuel and other energy purchases (a) | \$ 4         |
| Volumes (b)                         | 20           |
| Other                               | 2            |
| Total                               | \$ 26        |

(a) The decreases were increase was primarily due to lower higher recoveries of fuel and energy purchases due to lower higher commodity costs and volumes.

(b) The decreases were increase was primarily due to weather.

## Fuel

Fuel decreased \$45 million for the three months ended September 30, 2023 compared with 2022, primarily due to a decrease in commodity costs.

Fuel decreased \$94 million for the nine months ended September 30, 2023 compared with 2022, due to a \$62 million decrease in commodity costs and a \$32 million decrease in volumes primarily due to weather.

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Other Operation and Maintenance

The increase (decrease) in other operation and maintenance was due to:

|                                  | Three Months | Nine Months |
|----------------------------------|--------------|-------------|
| Plant operations and maintenance | \$ (6)       | \$ (6)      |
| Transmission credits             | 1            | 9           |
| Generation outage expenses       | (1)          | (7)         |
| Vegetation management expenses   | (5)          | (9)         |
| Storm costs                      | 2            | —           |
| Other                            | (5)          | (8)         |
| Total                            | \$ (14)      | \$ (21)     |

|                                  | Three Months |
|----------------------------------|--------------|
| Plant operations and maintenance | \$ (3)       |
| Other                            | (4)          |
| Total                            | \$ (7)       |

Interest Expense

Interest expense increased \$13 million for the nine months ended September 30, 2023 compared with the corresponding periods in 2022, primarily due to increased borrowings at higher rates.

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Financial Condition

The remainder of this Item 2 in this Form 10-Q is presented on a combined basis, providing information for each of the Registrants as applicable, for all Registrants. applicable.

Liquidity and Capital Resources

(All Registrants)

The Registrants had the following at:

|                                    | PPL                                | PPL      | PPL Electric | LG&E | KU   |
|------------------------------------|------------------------------------|----------|--------------|------|------|
|                                    | PPL                                | Electric | LG&E         | KU   |      |
| September 30, 2023                 |                                    |          |              |      |      |
| March 31, 2024                     |                                    |          |              |      |      |
| March 31, 2024                     |                                    |          |              |      |      |
| Cash and cash equivalents          | Cash and cash equivalents          | \$ 353   | \$ 56        | \$ 8 | \$ 8 |
| Short-term debt                    |                                    |          |              |      |      |
| Short-term debt                    |                                    |          |              |      |      |
| Short-term debt                    | Short-term debt                    | 287      | 187          | —    | 25   |
| Long-term debt due within one year | Long-term debt due within one year | 91       | 90           | —    | —    |

|                          |             |       |       |       |      |
|--------------------------|-------------|-------|-------|-------|------|
| Notes                    | Notes       |       |       |       |      |
| payable to               | payable to  |       |       |       |      |
| affiliates               | affiliates  | —     | 6     | 21    |      |
| <b>December 31, 2022</b> |             |       |       |       |      |
| <b>December 31, 2023</b> |             |       |       |       |      |
| <b>December 31, 2023</b> |             |       |       |       |      |
| <b>December 31, 2023</b> |             |       |       |       |      |
| Cash and                 | Cash and    |       |       |       |      |
| cash                     | cash        |       |       |       |      |
| equivalents              | equivalents | \$356 | \$ 25 | \$ 93 | \$21 |
| Short-term               | Short-term  |       |       |       |      |
| debt                     | debt        | 985   | 145   | 179   | 101  |
| Long-term                | Long-term   |       |       |       |      |
| debt due                 | debt due    |       |       |       |      |
| within one               | within one  |       |       |       |      |
| year                     | year        | 354   | 340   | —     | 13   |
| Notes                    | Notes       |       |       |       |      |
| payable to               | payable to  |       |       |       |      |
| affiliates               | affiliates  | —     | —     | —     |      |

(PPL)

The Statements of Cash Flows separately report the cash flows of discontinued operations. The "Operating Activities", "Investing Activities" and "Financing Activities" sections below include only the cash flows of continuing operations.

(All Registrants)

Net cash provided by (used in) operating, investing and financing activities for the **nine three** month periods ended **September 30, March 31,** and the changes between periods, were as follows.

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|             |            | PPL         |          |       |        |                               |              |      |    |
|-------------|------------|-------------|----------|-------|--------|-------------------------------|--------------|------|----|
|             |            | PPL         | Electric | LG&E  | KU     | PPL                           | PPL Electric | LG&E | KU |
| <b>2023</b> |            |             |          |       |        |                               |              |      |    |
| <b>2024</b> |            | <b>2024</b> |          |       |        |                               |              |      |    |
| Operating   | Operating  |             |          |       |        |                               |              |      |    |
| activities  | activities | \$1,648     | \$ 589   | \$526 | \$540  |                               |              |      |    |
| Investing   | Investing  |             |          |       |        |                               |              |      |    |
| activities  | activities | (1,739)     | (655)    | (277) | (425)  |                               |              |      |    |
| Financing   | Financing  |             |          |       |        |                               |              |      |    |
| activities  | activities | 88          | 97       | (334) | (128)  |                               |              |      |    |
| <b>2022</b> |            |             |          |       |        |                               |              |      |    |
| <b>2023</b> |            | <b>2023</b> |          |       |        |                               |              |      |    |
| Operating   | Operating  |             |          |       |        |                               |              |      |    |
| activities  | activities | \$1,511     | \$ 498   | \$473 | \$556  |                               |              |      |    |
| Investing   | Investing  |             |          |       |        |                               |              |      |    |
| activities  | activities | (5,186)     | (120)    | (273) | (397)  |                               |              |      |    |
| Financing   | Financing  |             |          |       |        |                               |              |      |    |
| activities  | activities | 407         | (377)    | (184) | (147)  |                               |              |      |    |
| Change -    | Change -   |             |          |       |        |                               |              |      |    |
| Cash        | Cash       |             |          |       |        |                               |              |      |    |
| Provided    | Provided   |             |          |       |        |                               |              |      |    |
| (Used)      | (Used)     |             |          |       |        | Change - Cash Provided (Used) |              |      |    |
| Operating   | Operating  |             |          |       |        |                               |              |      |    |
| activities  | activities | \$ 137      | \$ 91    | \$ 53 | \$(16) |                               |              |      |    |



|                      |                      |       |       |       |      |
|----------------------|----------------------|-------|-------|-------|------|
| Investing activities | Investing activities | 3,447 | (535) | (4)   | (28) |
| Financing activities | Financing activities | (319) | 474   | (150) | 19   |

### Operating Activities

The components of the change in cash provided by (used in) operating activities for the nine three months ended September 30, 2023 March 31, 2024 compared with 2022 2023 were as follows.

|                               | PPL    | PPL Electric | LG&E    | KU      |
|-------------------------------|--------|--------------|---------|---------|
| Change - Cash Provided (Used) |        |              |         |         |
| Net income                    | \$ 61  | \$ (26)      | \$ (14) | \$ (28) |
| Non-cash components           | 31     | (8)          | 5       | (2)     |
| Working capital               | 146    | 108          | 75      | 30      |
| Defined benefit plan funding  | (6)    | (5)          | 1       | —       |
| Other operating activities    | (95)   | 22           | (14)    | (16)    |
| Total                         | \$ 137 | \$ 91        | \$ 53   | \$ (16) |

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|                               | PPL      | PPL Electric | LG&E    | KU    |
|-------------------------------|----------|--------------|---------|-------|
| Change - Cash Provided (Used) |          |              |         |       |
| Net income                    | \$ 22    | \$ 11        | \$ 7    | \$ 20 |
| Non-cash components           | 3        | 6            | 4       | —     |
| Working capital               | (279)    | (68)         | (117)   | (3)   |
| Defined benefit plan funding  | (2)      | —            | (1)     | (1)   |
| Other operating activities    | 108      | 40           | 9       | 22    |
| Total                         | \$ (148) | \$ (11)      | \$ (98) | \$ 38 |

### (PPL)

PPL's cash provided by operating activities in 2023 increased \$137 million 2024 decreased \$148 million compared with 2022 2023.

- Net income increased \$61 million \$22 million between the periods and included an increase in non-cash charges of \$31 million \$3 million. The increase in non-cash charges was primarily due to an increase in depreciation (primarily due to the acquisition of RIE) and an increase in deferred income taxes and investment tax credits (primarily due to the acquisition of RIE), partially offset by an increase in defined benefit plans income (primarily due to a higher expected return) and an impairment of assets held for sale in 2022.
- The \$146 million increase \$279 million decrease in cash from changes in working capital was primarily due to a decrease in unbilled revenues accounts payable and accounts receivable (primarily due to weather) and an increase in regulatory other current liabilities (primarily due to prior years' refunds to customers related to the transmission formula rate return on equity reduction), partially offset by a decrease in accounts payable (primarily due to timing of payments) and an increase in unbilled revenues (primarily due to weather).
- The \$95 million decrease \$108 million increase in cash provided by other operating activities was driven primarily by an increase in regulatory liabilities and a decrease in regulatory liabilities other assets (primarily due related to the acquisition of RIE) a decrease in costs associated with work optimization and management projects).

### (PPL Electric)

PPL Electric's cash provided by operating activities in 2023 increased \$91 million 2024 decreased \$11 million compared with 2022 2023.

- Net income decreased \$26 million between the periods and included a decrease in non-cash components of \$8 million. The decrease in non-cash components was primarily due to a decrease in deferred income taxes and investment tax credits (primarily related to a change in state tax rates) and an increase in defined benefit plan income (primarily due to a higher expected return), partially offset by an increase in amortization expense (primarily due an increase in IT projects placed into service).
- The \$108 million increase in cash from changes in working capital was primarily due to a decrease in unbilled revenue (primarily due to weather), an increase in regulatory liabilities (primarily due to prior years' refunds to customers

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related to the transmission formula rate return on equity reduction) and an increase in accrued interest (primarily due to new debt issuances in 2023), partially offset by an increase in accounts receivable (primarily due to pricing) and a decrease in accounts payable (primarily due to timing of payments).

- The \$22 million increase in cash provided by other operating activities was driven primarily by other assets (primarily related to an increase in costs associated with work optimization and management projects).

**(LG&E)**

LG&E's cash provided by operating activities in 2023 increased \$53 million compared with 2022.

- Net income decreased \$14 million \$11 million between the periods and included an increase in non-cash components of \$5 million \$6 million. The increase in non-cash components was primarily due to an increase in amortization expense deferred income taxes and investment tax credits (primarily due to the expiration of the economic relief billing credit in June 2022) book versus tax plant timing differences).
- The \$75 million increase \$68 million decrease in cash from changes in working capital was primarily due to a decrease in accounts receivable payable and unbilled revenues other current liabilities and an increase in prepayments (primarily due to weather) timing of payments), partially offset by a decrease in accounts receivable (primarily due to timing).
- The \$40 million increase in cash provided by other operating activities was driven primarily by a decrease in other assets (primarily related to a decrease in costs associated with work optimization and management projects).

**(LG&E)**

LG&E's cash provided by operating activities in 2024 decreased \$98 million compared with 2023.

- Net income increased \$7 million between the periods and included an increase in non-cash components of \$4 million.
- The \$117 million decrease in cash from changes in working capital was primarily due to an increase in accounts receivable, unbilled revenues and fuel, materials and supplies (primarily due to lower commodity costs) weather), a decrease and an increase in net regulatory assets (primarily due to the timing of rate recovery mechanisms), a decrease in accounts receivable from affiliates (primarily due to timing of payments) and partially offset by an increase in accrued interest (primarily due to higher borrowings), partially offset by a decrease in accounts payable and accounts payable to affiliates (primarily due to timing of payments).
- The \$14 million decrease \$9 million increase in cash provided by other operating activities was driven by an increase in other assets (primarily related to deferred storm costs recorded as noncurrent regulatory assets) assets in the prior year).

**(KU)**

KU's cash provided by operating activities in 2023 decreased \$16 million 2024 increased \$38 million compared with 2022, 2023.

- Net income decreased \$28 million increased \$20 million between the periods and included a decrease in non-cash periods. Non-cash components of \$2 million, were consistent between periods.
- The \$30 million increase \$3 million decrease in cash from changes in working capital was primarily due to a decrease an increase in accounts receivable and unbilled revenues (primarily due to weather), a decrease an increase in net regulatory assets (primarily due to the

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timing of rate recovery mechanisms) and an increase in accrued interest (primarily due to higher borrowings), partially offset by a decrease an increase in accounts payable and accounts payable to affiliates (primarily due to timing of payments) and a decrease in fuel, materials and supplies (primarily due to weather).

- The \$16 million decrease \$22 million increase in cash provided by other operating activities was driven by an increase in other assets (primarily related to deferred storm costs recorded as noncurrent regulatory assets) assets in the prior year).

**Investing Activities**

**(All Registrants)**

The components of the change in cash provided by (used in) investing activities for the nine three months ended September 30, 2023 March 31, 2024 compared with 2022 2023 were as follows.

|                 |                 | PPL |          |      |    |              |  |  |  |
|-----------------|-----------------|-----|----------|------|----|--------------|--|--|--|
|                 |                 | PPL | Electric | LG&E | KU |              |  |  |  |
|                 |                 | PPL |          |      |    | PPL Electric |  |  |  |
|                 |                 |     |          |      |    | LG&E         |  |  |  |
|                 |                 |     |          |      |    | KU           |  |  |  |
| Change - Cash   | Change - Cash   |     |          |      |    |              |  |  |  |
| Provided (Used) | Provided (Used) |     |          |      |    |              |  |  |  |

|                                 |                                 |          |          |        |         |
|---------------------------------|---------------------------------|----------|----------|--------|---------|
| Expenditures for PP&E           |                                 |          |          |        |         |
| Expenditures for PP&E           |                                 |          |          |        |         |
| Expenditures for PP&E           | Expenditures for PP&E           | \$ (226) | \$ (32)  | \$ (4) | \$ (33) |
| Acquisition of Narragansett     |                                 |          |          |        |         |
| Electric, net of cash acquired  |                                 | 3,674    | —        | —      | —       |
| Notes receivable from affiliate |                                 |          |          |        |         |
| Notes receivable from affiliate |                                 |          |          |        |         |
| Notes receivable from affiliate | Notes receivable from affiliate | —        | (499)    | —      | —       |
| Other investing activities      |                                 |          |          |        |         |
| Other investing activities      | Other investing activities      | (1)      | (4)      | —      | 5       |
| Total                           | Total                           | \$3,447  | \$ (535) | \$ (4) | \$ (28) |

For PPL, the increase in expenditures for PP&E was due to project expenditures at RIE and an increase in project expenditures at PPL Electric, RIE, LG&E and KU. The increase in expenditures at PPL Electric was primarily due to an increase in transmission capital spending distribution projects. The increase in expenditures at KU was primarily due to higher spending on projects related to economic development in its service territory, storm restoration and Advanced Metering Infrastructure projects, partially offset by lower spending on ELG projects and other projects that are not individually significant.

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For PPL Electric, the change in "Notes receivable from affiliate" activity resulted from payments received on a short-term note between affiliates in 2022, issued the funding of \$554 million to support general corporate purposes, an affiliate. See Note 11 to the Financial Statements for further discussion of intercompany borrowings.

## Financing Activities

(All Registrants)

The components of the change in cash provided by (used in) financing activities for the nine three months ended September 30, 2023 March 31, 2024 compared with 2022 2023 were as follows.

|   |   | PPL                           |          |         |         |     |              |      |    |
|---|---|-------------------------------|----------|---------|---------|-----|--------------|------|----|
|   |   | PPL                           | Electric | LG&E    | KU      |     |              |      |    |
| PPL   |   |                               |          |         |         | PPL | PPL Electric | LG&E | KU |
| Change - Cash Provided (Used)                           | Change - Cash Provided (Used)                           | Change - Cash Provided (Used) |          |         |         |     |              |      |    |
| Debt issuance/retirement, net                           | Debt issuance/retirement, net                           | \$ 777                        | \$ 179   | \$(201) | \$(214) |     |              |      |    |
| Dividends   | Dividends   | 94                            | 11       | 109     | 109     |     |              |      |    |
| Dividends   |   |                               |          |         |         |     |              |      |    |
| Dividends   |   |                               |          |         |         |     |              |      |    |
| Capital contributions/distributions, net                |   |                               |          |         |         |     |              |      |    |
| Capital contributions/distributions, net                |   |                               |          |         |         |     |              |      |    |
| Capital contributions/distributions, net                | Capital contributions/distributions, net                | —                             | 255      | (151)   | (90)    |     |              |      |    |
| Change in short-term debt, net                          | Change in short-term debt, net                          | (1,139)                       | 42       | (220)   | (76)    |     |              |      |    |
| Change in short-term debt, net                          |   |                               |          |         |         |     |              |      |    |
| Change in short-term debt, net                          |   |                               |          |         |         |     |              |      |    |
| Net increase (decrease) in notes payable with affiliate |   |                               |          |         |         |     |              |      |    |
| Net increase (decrease) in notes payable with affiliate |   |                               |          |         |         |     |              |      |    |
| Net increase (decrease) in notes payable with affiliate | Net increase (decrease) in notes payable with affiliate | —                             | —        | 316     | 293     |     |              |      |    |

|                            |                            |          |        |         |       |
|----------------------------|----------------------------|----------|--------|---------|-------|
| Other financing activities | Other financing activities | (51)     | (13)   | (3)     | (3)   |
| Total                      | Total                      | \$ (319) | \$ 474 | \$(150) | \$ 19 |

See Note 7 to the Financial Statements in this Form 10-Q for information on 2023 2024 short-term and long-term debt activity, equity transactions and PPL dividends. See Note 8 to the Financial Statements in the Registrants' 2022 2023 Form 10-K for information on 2022 2023 activity.

#### Credit Facilities

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. Amounts borrowed under these credit facilities are reflected in "Short-term debt" on the Balance Sheets. At September 30, 2023 March 31, 2024, the total committed borrowing capacity under credit facilities and the borrowings under these facilities were:

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#### External

|   |   | Committed Capacity |      | Borrowed           | Letters of Credit and Commercial Paper Issued |          | Unused Capacity                               |                 |
|---|---|--------------------|------|--------------------|---|----------|---|-----------------|
|   |   | Committed Capacity |      | Committed Capacity |   | Borrowed | Letters of Credit and Commercial Paper Issued | Unused Capacity |
| PPL Capital Funding Credit Facilities (a) | PPL Capital Funding Credit Facilities (a) | \$ 1,350           | \$ — | \$ 75              | \$ 1,275                                      |          |   |                 |
| PPL Electric Credit Facility              | PPL Electric Credit Facility              | 650                | —    | 188                | 462   |          |   |                 |
| LG&E Credit Facilities                    | LG&E Credit Facilities                    | 500                | —    | —                  | 500   |          |   |                 |
| LG&E Credit Facilities                    |   |                    |      |                    |   |          |   |                 |
| LG&E Credit Facilities                    |   |                    |      |                    |   |          |   |                 |
| KU Credit Facilities                      | KU Credit Facilities                      | 400                | —    | 25                 | 375   |          |   |                 |
| Total Credit Facilities (b)               | Total Credit Facilities (b)               | \$ 2,900           | \$ — | \$ 288             | \$ 2,612                                      |          |   |                 |

- (a) Includes a \$1.25 billion syndicated credit facility with a \$250 \$400 million borrowing sublimit for RIE and a \$1 billion \$850 million sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from \$0 to \$600 million, with the remaining balance of the \$1.25 billion available under the facility allocated to PPL Capital Funding. At September 30, 2023 March 31, 2024, PPL Capital Funding had no \$218 million commercial paper outstanding and RIE had \$75 million of no commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.
- (b) The commitments under the credit facilities are provided by a diverse bank group, with no one bank and its affiliates providing an aggregate commitment of more than the following percentages of the total committed capacity: PPL - 9%, PPL Electric - 7%, LG&E - 7% and KU - 7%.

See Note 7 to the Financial Statements for further discussion of the Registrants' credit facilities.

#### Intercompany (LG&E and KU)

|            |       | Commercial |          |              |                 | Committed |  | Borrowed |  | Commercial Paper Issued |  | Unused   |  |
|------------|-------|------------|----------|--------------|-----------------|-----------|--|----------|--|-------------------------|--|----------|--|
|            |       | Capacity   | Borrowed | Paper Issued | Unused Capacity | Capacity  |  |          |  |                         |  | Capacity |  |
| LG&E       | LG&E  |            |          |              |                 |           |  |          |  |                         |  |          |  |
| Money      | Money |            |          |              |                 |           |  |          |  |                         |  |          |  |
| Pool       | Pool  |            |          |              |                 |           |  |          |  |                         |  |          |  |
| (a)        | (a)   | \$ 750     | \$ 6     | \$ —         | \$ 744          |           |  |          |  |                         |  |          |  |
| LG&E Money |       |            |          |              |                 |           |  |          |  |                         |  |          |  |
| Pool (a)   |       |            |          |              |                 |           |  |          |  |                         |  |          |  |
| LG&E Money |       |            |          |              |                 |           |  |          |  |                         |  |          |  |
| Pool (a)   |       |            |          |              |                 |           |  |          |  |                         |  |          |  |
| KU         | KU    |            |          |              |                 |           |  |          |  |                         |  |          |  |
| Money      | Money |            |          |              |                 |           |  |          |  |                         |  |          |  |
| Pool       | Pool  |            |          |              |                 |           |  |          |  |                         |  |          |  |
| (a)        | (a)   | 650        | 21       | 25           | 604             |           |  |          |  |                         |  |          |  |

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- (a) LG&E and KU participate in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E, and LKE and/or LG&E make available to KU funds up to the difference between LG&E's and KU's FERC borrowing limit and LG&E's and KU's commercial paper issued, at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR.

See Note 11 to the Financial Statements for further discussion of intercompany credit facilities.

## Commercial Paper (All Registrants)

The Registrants, and PPL Capital Funding and RIE, maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs, as necessary. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by the respective Registrant's credit facility, with PPL Capital Funding and RIE's issuances supported by PPL Capital Funding's syndicated credit facility. The following commercial paper programs were in place at **September 30, 2023** **March 31, 2024**:

|          |          | Commercial |           |                 | Commercial      |  | Unused   |  |
|----------|----------|------------|-----------|-----------------|-----------------|--|----------|--|
|          |          | Capacity   | Issuances | Unused Capacity | Paper Issuances |  | Capacity |  |
| PPL      | PPL      |            |           |                 |                 |  |          |  |
| Capital  | Capital  |            |           |                 |                 |  |          |  |
| Funding  | Funding  |            |           |                 |                 |  |          |  |
| (a)      | (a)      | \$ 1,350   | \$ —      | \$ 1,350        |                 |  |          |  |
| Rhode    | Rhode    |            |           |                 |                 |  |          |  |
| Island   | Island   |            |           |                 |                 |  |          |  |
| Energy   | Energy   |            |           |                 |                 |  |          |  |
| (a)      | (a)      | 400        | 75        | 325             |                 |  |          |  |
| PPL      | PPL      |            |           |                 |                 |  |          |  |
| Electric | Electric | 650        | 187       | 463             |                 |  |          |  |
| LG&E     | LG&E     | 500        | —         | 500             |                 |  |          |  |
| LG&E     |          |            |           |                 |                 |  |          |  |
| LG&E     |          |            |           |                 |                 |  |          |  |
| KU       | KU       | 400        | 25        | 375             |                 |  |          |  |
| Total    | Total    |            |           |                 |                 |  |          |  |
| PPL      | PPL      | \$ 3,300   | \$ 287    | \$ 3,013        |                 |  |          |  |

- (a) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility, which has a total capacity of \$1.25 billion, currently with a **\$250 million** **\$400 million** borrowing sublimit for RIE and a **\$1 billion** **\$850 million** sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from \$0 to \$600 million, with the remaining balance of the \$1.25 billion available under the facility allocated to PPL Capital Funding. Funding's Commercial paper program is also backed by a separate bilateral credit facility for \$100 million.

## Long-term Debt (All Registrants)

See Note 7 to the Financial Statements for information regarding the Registrants' long-term debt activities.

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### Forecasted Uses of Cash (PPL)

#### *Common Stock Dividends*

In **August 2023**, **February 2024**, PPL declared a quarterly common stock dividend, payable **October 2, 2023** **April 1, 2024**, of **24.0** **25.75** cents per share. Future dividends, declared at the discretion of the Board of Directors, will depend upon future earnings, cash flows, financial and legal requirements and other factors.

### Rating Agency Actions

#### *(All Registrants)*

Moody's and S&P periodically review the credit ratings of the debt of the Registrants and their subsidiaries. Based on their respective independent reviews, the rating agencies may make certain ratings revisions or ratings affirmations.

A credit rating reflects an assessment by the rating agency of the creditworthiness associated with an issuer and particular securities that it issues. The credit ratings of the Registrants and their subsidiaries are based on information provided by the Registrants and other sources. The ratings of Moody's and S&P are not a recommendation to buy, sell or hold any securities of the Registrants or their subsidiaries. Such ratings may be subject to revisions or withdrawal by the agencies at any time and should be evaluated independently of each other and any other rating that may be assigned to the securities.

The credit ratings of the Registrants and their subsidiaries affect their liquidity, access to capital markets and cost of borrowing under their credit facilities. A downgrade in the Registrants' or their subsidiaries' credit ratings could result in higher borrowing costs and reduced access to capital markets. The Registrants and their subsidiaries have no credit rating triggers that would result in the reduction of access to capital markets or the acceleration of maturity dates of outstanding debt.

**The** **Since June 2023**, **the** rating agencies have taken **the following** **no ratings** actions related to the Registrants and their subsidiaries.

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### *(PPL)*

**In June 2023**, Moody's assigned RIE's commercial paper a Short-Term Rating of P-2.

**In June 2023**, S&P assigned RIE's commercial paper a Short-Term Rating of A-2.

### Ratings Triggers

#### *(PPL, LG&E and KU)*

Various derivative and non-derivative contracts, including contracts for the sale and purchase of electricity and fuel, commodity transportation and storage, and interest rate instruments, contain provisions that require the posting of additional collateral or permit the counterparty to terminate the contract, if PPL's, LG&E's or KU's or their subsidiaries' credit rating, as applicable, were to fall below investment grade. See Note 14 to the Financial Statements for a discussion of "Credit Risk-Related Contingent Features," including a discussion of the potential additional collateral requirements for PPL for derivative contracts in a net liability position at **September 30, 2023** **March 31, 2024**.

#### *(All Registrants)*

For additional information on the Registrants' liquidity and capital resources, see "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Registrants' **2022** **2023** Form 10-K.

### **Risk Management** *(All Registrants)*

#### Market Risk

See Notes 13 and 14 to the Financial Statements for information about the Registrants' risk management objectives, valuation techniques and accounting designations.

The forward-looking information presented below provides estimates of what may occur in the future, assuming certain adverse market conditions and model assumptions. Actual future results may differ materially from those presented. These are not precise indicators of expected future losses, but are rather only indicators of possible losses under normal market conditions at a given confidence level.

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## Interest Rate Risk

PPL and its subsidiaries issue debt to finance their operations, which exposes them to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating interest rates in their debt portfolios, adjust the duration of the debt portfolios and lock in benchmark interest rates in anticipation of future financing, when appropriate. Risk limits under PPL's risk management program are designed to balance risk exposure to volatility in interest expense and changes in the fair value of the debt portfolio due to changes in benchmark interest rates. In addition, the interest rate risk of certain subsidiaries is potentially mitigated as a result of the existing regulatory framework or the timing of rate cases.

The following interest rate hedges were outstanding at **September 30, 2023** **March 31, 2024**.

|                         |  | Fair Value, Net - Asset |  | Effect of a 10% Adverse Movement in Rates |  | Maturities Ranging Through                    |  |
|-------------------------|--|-------------------------|--|---|--|---|--|
| Exposure Hedged         |  | Exposure Hedged         |  | Fair Value, Net - Asset (Liability) (a)   |  | Effect of a 10% Adverse Movement in Rates (b) |  |
| PPL and LG&E            |  | PPL and LG&E            |  | PPL and LG&E                              |  |   |  |
| Economic hedges         |  | Economic hedges         |  | Economic hedges                           |  |   |  |
| Interest rate swaps (c) |  | Interest rate swaps (c) |  | Interest rate swaps (c)                   |  | 2033  |  |
| \$ 64                   |  | \$ (5)                  |  | \$ (1)                                    |  | 2033  |  |

(a) Includes accrued interest, if applicable.

(b) Effects of adverse movements decrease assets or increase liabilities, as applicable, which could result in an asset becoming a liability. Sensitivities represent a 10% adverse movement in interest rates.

(c) Realized changes in the fair value of such economic hedges are recoverable through regulated rates and any subsequent changes in the fair value of these derivatives are included in regulatory assets or regulatory liabilities.

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The Registrants are exposed to a potential increase in interest expense and to changes in the fair value of their debt portfolios. The estimated impact of a 10% adverse movement in interest rates on the fair value of debt at **September 30, 2023** **March 31, 2024** is shown below.

|              | 10% Adverse Movement in Rates on Fair Value of Debt |
|--------------|---|
| PPL          | \$ 600 630  |
| PPL Electric | 247 271   |
| LG&E         | 96 94   |
| KU           | 136 135   |

## Commodity Price Risk

PPL is exposed to commodity price risk through its subsidiaries as described below.

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is mitigated through its PAPUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply costs. These mechanisms generally provide for timely recovery of market price fluctuations associated with these costs.
- RIE utilizes derivative instruments pursuant to its RIPUC-approved plan to manage commodity price risk associated with its natural gas purchases. RIE's commodity price risk management strategy is to reduce fluctuations in firm gas sales prices to its customers. RIE's costs associated with derivatives instruments are recoverable through its RIPUC-approved cost recovery mechanisms. RIE is required to purchase electricity to fulfill its obligation to provide Last Resort Service (LRS). Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms and full requirements service agreements to serve LRS customers, which transfer the risk to energy suppliers.

RIE is required to contract through long-term agreements for clean energy supply under the Rhode Island Renewable Energy Growth program and Long-term Clean Energy Standard. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms, which true-up cost differences between contract prices and market prices.

#### *Volumetric Risk*

Volumetric risk is the risk related to the changes in volume of retail sales due to weather, economic conditions or other factors. PPL is exposed to volumetric risk through its subsidiaries as described below:

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- PPL Electric, LG&E and KU are exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.
- RIE is exposed to volumetric risk, which is significantly mitigated by regulatory mechanisms. RIE's electric and gas distribution rates both have a revenue decoupling mechanism, which allows for annual adjustments to RIE's delivery rates.

#### *Inflation and Supply Chain Related Risk*

PPL and its subsidiaries continue to monitor the impact of inflation and supply chain disruptions. PPL and its subsidiaries monitor the cost of fuel, construction, regulatory and environmental compliance costs and other costs. Mechanisms are in place to mitigate the risk of inflationary effects and supply chain disruptions, to the extent possible, but increased costs and supply chain disruptions may directly or indirectly affect our ongoing operations. These mechanisms include pricing strategies, productivity improvements and cost reductions in order to ensure that the Registrants are able to procure the necessary materials and other resources needed to maintain services in a safe and reliable manner, and to grow infrastructure consistent with the capital expenditure plan. For additional information see "Forward-looking Information" at the beginning of this report and "Item 1A. Risk Factors" of the Registrants' [2022 2023](#) Form 10-K.

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#### Credit Risk

See Notes 13 and 14 to the Financial Statements in this Form 10-Q and "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition - Risk Management - Credit Risk" in the Registrants' [2022 2023](#) Form 10-K for additional information.

#### **Related Party Transactions** *(All Registrants)*

The Registrants are not aware of any material ownership interests or operating responsibility by senior management in outside partnerships, including leasing transactions with variable interest entities, or other entities doing business with the Registrants. See Note 11 to the Financial Statements for additional information on related party transactions for PPL Electric, LG&E and KU.

#### **Acquisitions, Development and Divestitures** *(All Registrants)*

The Registrants from time to time evaluate opportunities for potential acquisitions, divestitures and development projects. Development projects are reexamined based on market conditions and other factors to determine whether to proceed with, modify or terminate the projects. Any resulting transactions may impact future financial results. See Note 8 to the Financial Statements for additional information on [the share purchase agreement to acquire Narragansett Electric. acquisition, development, and divestiture activity.](#)

#### **Environmental Matters** *(All Registrants)*

Extensive federal, state and local environmental laws and regulations are applicable to the Registrants' air emissions, water discharges and the management of hazardous and solid waste, as well as other aspects of the Registrants' businesses. The costs of compliance or alleged non-compliance cannot be predicted with certainty but could be significant. In addition, costs may increase significantly if the requirements or scope of environmental laws or regulations, or similar rules, are expanded or changed. Costs may take the form of increased capital expenditures or operating and maintenance expenses, monetary fines, penalties or other restrictions. Many of these environmental law considerations are also applicable to the operations of key suppliers, or customers, such as coal producers and industrial power users, and may impact the costs for their products or their demand for the Registrants' services. Increased capital and operating costs are expected to be subject to rate recovery. The Registrants can provide no assurances as to the ultimate outcome of future environmental or rate proceedings before regulatory authorities.

See "Environmental Matters" in Item 1. "Business" in the Registrants' [2022 2023](#) Form 10-K for information about environmental laws and regulations affecting the Registrants' business. See "Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash - Capital Expenditures" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' [2022 2023](#) Form 10-K for information on projected environmental capital expenditures for [2023 2024](#) through [2025 2026](#). See "Legal Matters" in Note 10 to the Financial Statements for a discussion of the more significant environmental claims. See Note 15 to the Financial Statements for information related to the impacts of CCRs on AROs.

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The information below represents an update to "Item 1. Business – Environmental Matters" in the Registrants' 2022 2023 Form 10-K.

## Air

(PPL, LG&E and KU)

### NAAQS

The Clean Air Act has a significant impact on the operation of fossil fuel generation plants. The Clean Air Act requires the EPA periodically to establish and review NAAQS for six pollutants: carbon monoxide, lead, nitrogen dioxide, ozone (contributed to by nitrogen oxide emissions), particulate matter and sulfur dioxide. In December 2020, the EPA released final actions keeping the existing NAAQS standard for particulate matter and ozone without change, but the EPA subsequently announced reconsideration of those decisions in June 2021. On March 6, 2024, the EPA finalized revisions to the particulate matter standard that lowers the primary standard for fine particulates. Based on the new standard, the EPA could potentially designate Jefferson County, Kentucky (Louisville) as being in nonattainment with the new particulate matter standard and require additional particulate matter reductions from sources including LG&E's Mill Creek Station. The new particulate matter standard may also result in more stringent requirements for new generation located in nonattainment areas. PPL, LG&E, and KU are unable to predict future implementation actions or the outcome of future evaluations by the EPA and the states with respect to the NAAQS standards.

In March 2021, the EPA released final revisions to the Cross-State Air Pollution Rule (CSAPR), aimed at ensuring compliance with the 2008 ozone NAAQS and providing for reductions in ozone season nitrogen oxide emissions for 2021 and subsequent years. Additionally, the EPA reversed its previous approval of the Kentucky State Implementation Plan with respect to these requirements. In March 2023, the EPA Administrator released a final Federal Implementation Plan under the Good Neighbor provisions of the Clean Air Act providing for significant additional nitrogen oxide emission reductions for compliance with the revised 2015 ozone NAAQS. The reductions in Kentucky state-wide nitrogen oxide budgets are were scheduled to commence in 2023, with the largest reductions planned for 2026, based on the installation time frame for certain selective catalytic reduction controls, subject to future specific allowance calculations. PPL, LG&E and KU are currently assessing the potential impact of the Good Neighbor Plan revisions on operations. The rules provide for reduced availability of NOx allowances that have historically permitted operational flexibility for fossil units and could potentially result in constraints that may require implementation of additional emission controls or accelerate implementation of lower emission generation technologies. In

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response to judicial orders that stayed the EPA's denial of certain state implementation plans, the EPA in July 2023 issued an interim stay of implementation of Good Neighbor Plan requirements for emission sources in several states including Kentucky. Legal challenges to CSAPR and related determinations remain pending, pending and the U.S. Supreme Court will hear arguments on numerous stay applications filed by states and industry groups over the Good Neighbor Plan. In January 2023, the EPA released a proposed revision to increase the stringency of the current NAAQS for particulate matter. The EPA is continuing review of its previous determinations made in December 2020 to retain the existing NAAQS for ozone without change.

PPL, LG&E, and KU are unable to predict the ultimate outcome of pending litigation or future emission reductions that may be required by future federal rules or state implementation actions. Compliance with the NAAQS, CSAPR, Good Neighbor Plan, and related requirements may require installation of additional pollution controls or other compliance actions, inclusive of retirements, the costs of which PPL, LG&E and KU believe would be subject to rate recovery.

### Proposed Modification of Mercury and Air Toxics Standards

In 2012, the EPA issued the Mercury and Air Toxics Standards (MATS) rule requiring reductions in mercury and other hazardous air pollutants from fossil fuel-fired power plants. LG&E and KU installed significant controls to achieve compliance with MATS and other rules. In April 2023, On April 25, 2024, the EPA proposed to increase released a pre-publication version of a final rule increasing the stringency of MATS and further reduce reducing emissions of certain hazardous air pollutants by reducing certain particulate matter standards by approximately two-thirds to reflect perceived developments in control technologies. While the exact impact will depend on the provisions adopted in the final rule, PPL, LG&E, and KU are reviewing the final rule to determine its impact and do not expect significant operational changes or additional controls. PPL, LG&E, and KU will continue controls to monitor the ongoing rulemaking process. be required.

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### Proposed Greenhouse Gas Standards

On May 11, 2023 April 25, 2024, the EPA released proposed rules a pre-publication version of a final rule under Section 111 of the Clean Air Act to establish which establishes performance standards and emissions limits aimed at reducing GHG emissions from certain new, existing, and modified fossil fuel-fired electric generating units (EGUs). The proposed standards would require phased implementation of carbon mitigation technologies including state-of-the-art efficiency requirements, carbon capture and sequestration, low GHG hydrogen co-firing, and natural gas co-firing. New natural gas EGUs would be immediately subject to the stricter efficiency standard. The EPA's proposed new GHG reduction requirements, if adopted, could potentially require significant additional compliance measures including changes in current operations, installation of capital equipment, and early retirement of certain coal-fired generating units. PPL, LG&E, and KU are unable to predict the precise impact of new GHG reduction requirements until issuance completion of final rules a comprehensive review and resolution of related legal and regulatory proceedings. While the impact of new GHG reduction requirements on operations and financial results of operations could potentially be substantial, the cost of complying with such requirements is expected to be subject to rate recovery.

### Waters of the U.S.

On May 25, 2023, the U.S. Supreme Court issued an opinion in Sackett v. EPA holding that the government's jurisdiction to regulate wetlands under the Clean Water Act extends to wetlands with a continuous surface connection to bodies that are "waters of the United States." On September 8, 2023, the EPA issued a conforming rule that incorporated the holding of Sackett into federal definitions of waters of the United States. By limiting water bodies that fall within the jurisdiction of the Clean Water Act, the Supreme Court's decision could reduce the number of projects or the scope of project activities subject to federal permitting for wetlands.

**New Accounting Guidance** (All Registrants)

There has been no new accounting guidance adopted in 2023 and there is no new 2024. See Note 17 to the Financial Statements for discussion of significant accounting guidance pending adoption as of September 30, 2023 March 31, 2024.

**Other Matters**

On March 6, 2024, the SEC adopted final rules that require registrants to disclose certain climate-related information in registration statements and annual reports. The final rules require registrants to disclose, among other things, material climate-related risks, activities to mitigate such risks and information about oversight by the registrant's board of directors and management's role in managing material climate-related risks. The final rule also requires registrants to provide information related to any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition. A majority of the reporting requirements are applicable to the fiscal year beginning in 2025, with the addition of assurance reporting for greenhouse gas emissions starting in 2029 for large accelerated filers. Litigation challenging the new rule was filed by multiple parties in multiple jurisdictions, which have been consolidated and assigned to the U.S. Court of Appeals for the Eighth Circuit. On April 4, 2024, the SEC announced that it is voluntarily staying the implementation of the climate disclosure regulations while the U.S. Court of Appeals considers the litigation. The Registrants are currently evaluating the impact of the final rules on their respective consolidated financial statements and related disclosures.

**Application of Critical Accounting Policies** (All Registrants)

Financial condition and results of operations are impacted by the methods, assumptions and estimates used in the application of critical accounting policies. The following table summarizes the accounting policies by Registrant that are particularly important to an understanding of the reported financial condition or results of operations and require management to make estimates or other judgments of matters that are inherently uncertain. See "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2022 2023 Form 10-K for a discussion of each critical accounting policy.

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|  | PPL |          |      |    |
|--|-----|----------|------|----|
|  | PPL | Electric | LG&E | KU |
| Defined Benefits                       | X   | X        | X    | X  |
| Income Taxes                           | X   | X        | X    | X  |
| Regulatory Assets and Liabilities      | X   | X        | X    | X  |
| Price Risk Management                  | X   |          |      |    |
| Goodwill Impairment                    | X   |          | X    | X  |
| AROs                                   |     |          | X    | X  |
| Revenue Recognition - Unbilled Revenue | X   | X        | X    | X  |

Following is an update to the critical accounting policies disclosed in PPL's 2022 Form 10-K.

**Revenue Recognition - Unbilled Revenues** (PPL and PPL Electric)

For PPL Electric, unbilled revenues for a month are typically calculated by multiplying the actual unbilled volumes by the price per tariff. In the first quarter of 2023, PPL Electric estimated deliveries to customers due to a temporary issue. In the second quarter of 2023, the temporary issue was resolved and unbilled volumes resumed being calculated by multiplying the actual unbilled volumes by the price per tariff.

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PPL Corporation  
PPL Electric Utilities Corporation  
Louisville Gas and Electric Company  
Kentucky Utilities Company

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Reference is made to "Risk Management" in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

## **Item 4. Controls and Procedures**

### **(a) Evaluation of disclosure controls and procedures.**

The Registrants' principal executive officers and principal financial officers, based on their evaluation of the Registrants' disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934) have concluded that, as of **September 30, 2023** **March 31, 2024**, the Registrants' disclosure controls and procedures are effective to ensure that material information relating to the Registrants and their consolidated subsidiaries is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, particularly during the period for which this quarterly report has been prepared. The principal officers have concluded that the disclosure controls and procedures are also effective to ensure that information required to be disclosed in reports filed under the Exchange Act is accumulated and communicated to management, including the principal executive and principal financial officers, to allow for timely decisions regarding required disclosure.

### **(b) Change in internal controls over financial reporting.**

The Registrants' principal executive officers and principal financial officers have concluded that there were no changes in the Registrants' internal controls over financial reporting during the Registrants' **third first** fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrants' internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

For information regarding legal, tax, regulatory, environmental or other administrative proceedings that became reportable events or were pending in the **third first** quarter of **2023 2024** see:

- "Item 3. Legal Proceedings" in each Registrant's **2022 2023** Form 10-K; and
- Notes 5, 6, 8 and 10 to the Financial Statements.

### **Item 1A. Risk Factors**

There have been no material changes in the Registrants' risk factors from those disclosed in "Item 1A. Risk Factors" of the Registrants' **2022 2023** Form 10-K.

### **Item 4. Mine Safety Disclosures**

Not applicable.

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### **Item 5. Other Information**

#### *Securities Trading Plans of Directors and Executive Officers*


On August 8, 2023 During the three months ended March 31, 2024, Mr. Tadd J. Henninger, Senior Vice President-Finance and Treasurer none of PPL, our directors or executive officers adopted, a terminated or modified any Rule 10b5-1 trading arrangement for the sale or non-Rule 10b5-1 trading arrangement, as such terms are defined in Item 408 of securities of PPL's common stock (a Rule 10b5-1 Trading Plan) that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934. Mr. Henninger's Rule 10b5-1 Trading Plan, which terminates on the earlier of (i) March 15, 2024 and (ii) the date all trades specified under the plan have been executed or all orders under the plan have expired, provides for the sale of up to 13,330 shares of common stock pursuant to the terms of the plan. Regulation S-K.

### **Item 6. Exhibits**

The following Exhibits indicated by an asterisk preceding the Exhibit number are filed herewith. The balance of the Exhibits has heretofore been filed with the Commission and pursuant to Rule 12(b)-23 are incorporated herein by reference. Exhibits indicated by a [ ] are filed or listed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

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**4(a)** 

Supplemental  
Indenture No.  
25, dated as  
of January 1,  
2024, of PPL  
Electric  


- [4\(b\)](#) - Sixth Supplemental Indenture, dated March 25, 2024, between The Narragansett Electric Company and The Bank of New York Mellon (Exhibit 4.2 to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 25, 2024)
- [\\*10\(a\)](#) - Commitment Extension Agreement and Amendment No. 2, dated as of February 29, 2024, to the Amended and Restated Revolving Credit Agreement dated as of December 6, 2021 among PPL Capital Funding, Inc., as Borrower, The Narragansett Electric Company, as Borrower, PPL Corporation, as Guarantor, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender.
- [\\*10\(b\)](#) - Commitment Extension Agreement and Amendment No. 2, dated as of February 29, 2024, to the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among PPL Electric Utilities Corporation, as the Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender.
- [\\*10\(c\)](#) - Commitment Extension Agreement and Amendment No. 2, dated as of February 29, 2024, to the Amended and Restated Revolving Credit Agreement dated as of December 6, 2021 among Louisville Gas and Electric Company, as Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender.
- [\\*10\(d\)](#) - Commitment Extension Agreement and Amendment No. 2, dated as of February 29, 2024, to the Amended and Restated Revolving Credit Agreement dated as of December 6, 2021 among Kentucky Utilities Company, as Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender.

Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended [September 30, 2023](#) [March 31, 2024](#), filed by the following officers for the following companies:

- [\\*31\(a\)](#) - PPL Corporation's principal executive officer
- [\\*31\(b\)](#) - PPL Corporation's principal financial officer
- [\\*31\(c\)](#) - PPL Electric Utilities Corporation's principal executive officer
- [\\*31\(d\)](#) - PPL Electric Utilities Corporation's principal financial officer
- [\\*31\(e\)](#) - Louisville Gas and Electric Company's principal executive officer
- [\\*31\(f\)](#) - Louisville Gas and Electric Company's principal financial officer
- [\\*31\(g\)](#) - Kentucky Utilities Company's principal executive officer
- [\\*31\(h\)](#) - Kentucky Utilities Company's principal financial officer

Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended [September 30, 2023](#) [March 31, 2024](#), furnished by the following officers for the following companies:

- [\\*32\(a\)](#) - PPL Corporation's principal executive officer and principal financial officer
- [\\*32\(b\)](#) - PPL Electric Utilities Corporation's principal executive officer and principal financial officer
- [\\*32\(c\)](#) - Louisville Gas and Electric Company's principal executive officer and principal financial officer
- [\\*32\(d\)](#) - Kentucky Utilities Company's principal executive officer and principal financial officer

- 101.INS - XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH - XBRL Taxonomy Extension Schema
- 101.CAL - XBRL Taxonomy Extension Calculation Linkbase
- ... - - - - -

|         |   |
|---------|---|
| 101.DEF | - XBRL Taxonomy Extension Definition Linkbase   |
| 101.LAB | - XBRL Taxonomy Extension Label Linkbase  |
| 101.PRE | - XBRL Taxonomy Extension Presentation Linkbase   |
| 104     | - The Cover Page Interactive Data File is formatted as Inline XBRL and contained in Exhibits 101. |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

**PPL Corporation**  
(Registrant)

Date: **November 2, 2023** May 1, 2024

/s/ Marlene C. Beers

Marlene C. Beers  
Vice President and Controller  
(Principal Accounting Officer)

**PPL Electric Utilities Corporation**  
(Registrant)

Date: **November 2, 2023** May 1, 2024

/s/ Marlene C. Beers

Marlene C. Beers  
Vice President and Controller  
(Principal Accounting and Financial Officer)

**Louisville Gas and Electric Company**  
(Registrant)

**Kentucky Utilities Company**  
(Registrant)

Date: **November 2, 2023** May 1, 2024

/s/ Christopher M. Garrett

Christopher M. Garrett  
Vice President-Finance and Accounting  
(Principal Accounting and Financial Officer)



Execution Version COMMITMENT EXTENSION AGREEMENT AND AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (Commitment Extension Pursuant to Section 2.08(d) of Credit Agreement and Amendments Pursuant to Section 9.05 of Existing Credit Agreement) This COMMITMENT EXTENSION AGREEMENT AND AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "Agreement") dated as of February 29, 2024, is entered into by and among PPL CAPITAL FUNDING, INC., a Delaware corporation ("Company"); The Narragansett Electric Company, a Rhode Island corporation (the "Designated Borrower" and together with the Company, each a "Borrower" and collectively, the "Borrowers"); PPL Corporation, a Pennsylvania corporation ("Guarantor"); the undersigned Lenders (as defined in the Credit Agreement) extending their 2027 Revolving Commitments (as defined in the Credit Agreement) (the "2027 Extending Lenders"); the Consenting Lenders (as defined below) party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (in such capacity, the "Administrative Agent"); Swingline Lender and Issuing Lender. Capitalized terms used and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement (as hereinafter defined). RECITALS A. Borrowers, Guarantor, the 2027 Extending Lenders, the Consenting Lenders and the Administrative Agent are parties to that certain Amended and Restated Revolving Credit Agreement dated as of December 6, 2021 (as amended by that certain Amendment No. 1 to Amended and Restated Revolving Credit Agreement, dated as March 30, 2023, and as further amended, restated, or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement" and as amended hereby, the "Credit Agreement"); B. Pursuant to Section 2.08(d) of the Credit Agreement, the Borrowers desire to change the existing 2027 Termination Date, effective as of the Effective Date, from December 6, 2027 to December 6, 2028 and the 2027 Revolving Lenders party hereto constituting 2027 Extending Lenders and holding 2027 Revolving Commitments that aggregate at least 51% of the aggregate 2027 Revolving Commitments agree to such extension; Pursuant to Section 2.08(d) of the Credit Agreement, Borrowers have requested an extension of the 2027 Termination Date (the "2027 Commitment Extension") of the 2027 Revolving Commitments from December 6, 2027 to December 6, 2028, effective on the Effective Date; C. Each of the undersigned 2027 Extending Lenders has agreed to extend its 2027 Revolving Commitment in accordance with Section 1 hereto; D. Pursuant to Section 9.05 of the Credit Agreement, the Borrowers desire to amend the definition of "Quarterly Date" in Section 1.01 of the Existing Credit Agreement as set forth in Section 4 of this Agreement, and the Lenders party hereto constituting all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment (as defined below) (the "Consenting Lenders") agree to such amendment. NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows: 1. Extension of Commitments. Effective as of the Effective Date, the 2027 Termination Date of the 2027 Revolving Commitment of each 2027 Extending Lender shall be extended to December 6, 2028 which, for purposes of Section 2.08(d)(i) of the Credit Agreement, shall be the "Current Termination Date" with respect to the 2027 Revolving Commitments. Each 2027 Extending Lender hereby waives the notice periods, notice and timing requirements set forth in Section 2.08(d) of the Credit Agreement for the extension of the 2027 Termination Date; 2. Conditions Precedent to Effectiveness of Commitment Extension and Amendments. The Commitment Extensions and the amendments to the Existing Credit Agreement as set forth in Sections 3 to 5 hereunder shall be effective on and as of the first date on which the following conditions have been satisfied (the "Effective Date")



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2.1) Administrative Agent shall have received: a) counterparts of this Agreement, executed by each Borrower, Guarantor, each 2027 Extending Lender and the Consenting Lenders (which, for the avoidance of doubt, constitutes all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment); b) an Extension Letter relating to the 2027 Commitment Extension as required by Section 2.08(d)(v); c) a certificate of each Borrower dated the Effective Date and signed by an Authorized Officer of the applicable Borrower, certifying that: i) on such date, no Default under the Credit Agreement has occurred and is continuing; ii) the representations and warranties of such Borrower contained in the Credit Agreement are true and correct as of the Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date and except for the representations and warranties in Section 5.04(c), Section 5.05 and Section 5.13 of the Credit Agreement; and iii) (A) in the case of the Company, no authorization, consent or approval of any Governmental Authority is required to be obtained by such Borrower to authorize the Commitment Extensions; or, (B) in the case of the Designated Borrower, any governmental, regulatory and third party approvals of any Governmental Authority required to be obtained by the Borrower to authorize the Commitment Extensions are attached thereto and remain in full force and effect; d) a certificate of the Guarantor dated the Effective Date signed by an Authorized Officer of the Guarantor, certifying that: i) on such date, no Default under the Credit Agreement has occurred and is continuing; ii) the representations and warranties of the Guarantor contained in the Credit Agreement are true and correct as of the Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date and except for the representations and warranties in Section 5.04(c), Section 5.05, Section 5.13 and Section 5.15(a) of the Credit Agreement; and iii) no authorization, consent or approval of any Governmental Authority is required to be obtained by the Guarantor to authorize the Commitment Extensions; e) Opinions of (i) Bracewell LLP, counsel to each of the Loan Parties, and (ii) in-house counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, dated the Effective Date, in form and substance satisfactory to the Administrative Agent; 2) Borrowers shall have paid all fees and expenses that are required to be paid as of the date set forth in that certain fee letter dated February 5, 2024, between the Borrowers and Wells Fargo Securities, LLC; 3) Lenders holding Commitments that aggregate at least 51% of the aggregate 2027 Revolving Commitments of the Lenders on or prior to the Effective Date shall have agreed to extend the 2027 Termination Date in accordance with the terms hereof; and 4) the Master Assignment and Assumption Agreement (the "Master Assignment"), by and among the Borrowers, the Administrative Agent, Credit Suisse AG, New York Branch, as assignor of all of its Commitments and the Lenders party thereto as assignees, shall have been executed and is effective immediately prior to the Effective Date.



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3.3. 2027 Termination Date Extension. Upon execution of this Agreement by the requisite Lenders under Sections 2.08(d) and 9.05 of the Existing Credit Agreement, with effect from and including the Effective Date, Section 1.01 of the Existing Credit Agreement is amended by deleting the definition of "2027 Termination Date" in its entirety and replacing it with the following: "'2027 Termination Date" means the earlier to occur of (i) December 6, 2028, as may be extended from time to time pursuant to Section 2.08(d), and (ii) the date upon which all 2027 Revolving Commitments shall have been terminated in their entirety in accordance with this Agreement.'" 4. Quarterly Date Amendment. Upon execution of this Agreement by the requisite Lenders under Section 9.05 of the Existing Credit Agreement (which, for the avoidance of doubt, includes all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment), with effect from and including the Effective Date, Section 1.01 of the Existing Credit Agreement is amended by deleting the definition of "Quarterly Date" in its entirety and replacing it with the following: "'Quarterly Date" means the tenth (10th) Business Day following the last day of each of March, June, September and December.'" 5. Optional Extensions Amendment. Upon execution of this Agreement by the requisite Lenders under Section 9.05 of the Existing Credit Agreement, with effect from and including the Effective Date, the words "but on not more than two occasions during the term of the revolving credit facilities hereunder" in the first sentence of Section 2.08(d)(ii) of the Existing Credit Agreement is amended by replacing it with the following: "but (i) with respect to the 2026 Revolving Commitments, on not more than two occasions and (ii) with respect to the 2027 Revolving Commitments, on not more than one occasion, in each case, during the term of the revolving credit facilities hereunder". 6. Commitments. Each party hereto acknowledges and agrees that as of the Effective Date, (a) Appendix A1 of the Credit Agreement is replaced with Appendix A1 of this Agreement, (b) Appendix A2 of the Credit Agreement is replaced with Appendix A2 of this Agreement, (c) Appendix A3 of the Credit Agreement is replaced with Appendix A3 of this Agreement, (d) Appendix A4 of the Credit Agreement is replaced with Appendix A4 of this Agreement. 7. Miscellaneous. (a) (i) Headings and captions may not be construed in interpreting provisions; (ii) this Agreement shall be governed by, and construed in accordance with, the law of the State of New York; and (iii) this Agreement may be executed in any number of counterparts with the same effect as if all signatories had signed the same document, and all of those counterparts must be construed together to constitute the same document. Delivery of an executed signature page of this Agreement by facsimile transmission or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart hereof. The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to the Agreement shall be deemed to include electronic signatures or execution in the form of an electronic record, and contract formations on electronic platforms approved by the Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto. (b) Upon and after the execution of this Agreement by each of the parties hereto, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a



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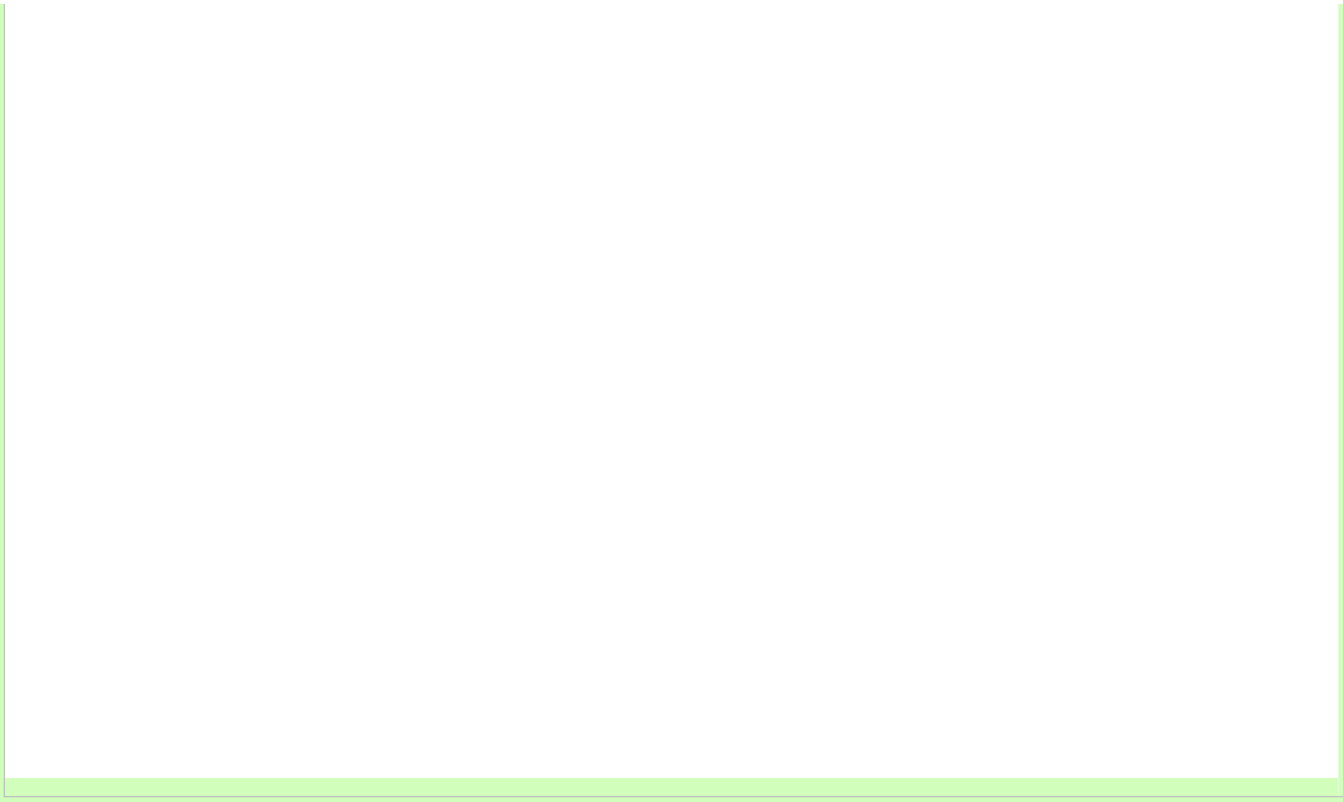


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Commitment Extension and Amendment Agreement - CF WELLS FARGO BANK, NATIONAL ASSOCIATION as a 2027 Extending Lender and a Consenting Lender Name: Patrick Engel Title: Managing Director



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Commitment Extension and Amendment Agreement - CF BANK OF AMERICA, N.A. as a 2027 Extending Lender and a Consenting Lender Name: Dee Dee Farkas Title: Managing Director



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MIZUHO BANK, LTD. as a 2027 Extending Lender and a Consenting Lender Name: Edward Sacks Title: Authorized Signatory Commitment Extension and Amendment Agreement - CF



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Commitment Extension and Amendment Agreement - CF BANK OF MONTREAL as a 2027 Extending Lender and a Consenting Lender Name: Yash Gandhi Title: Vice President



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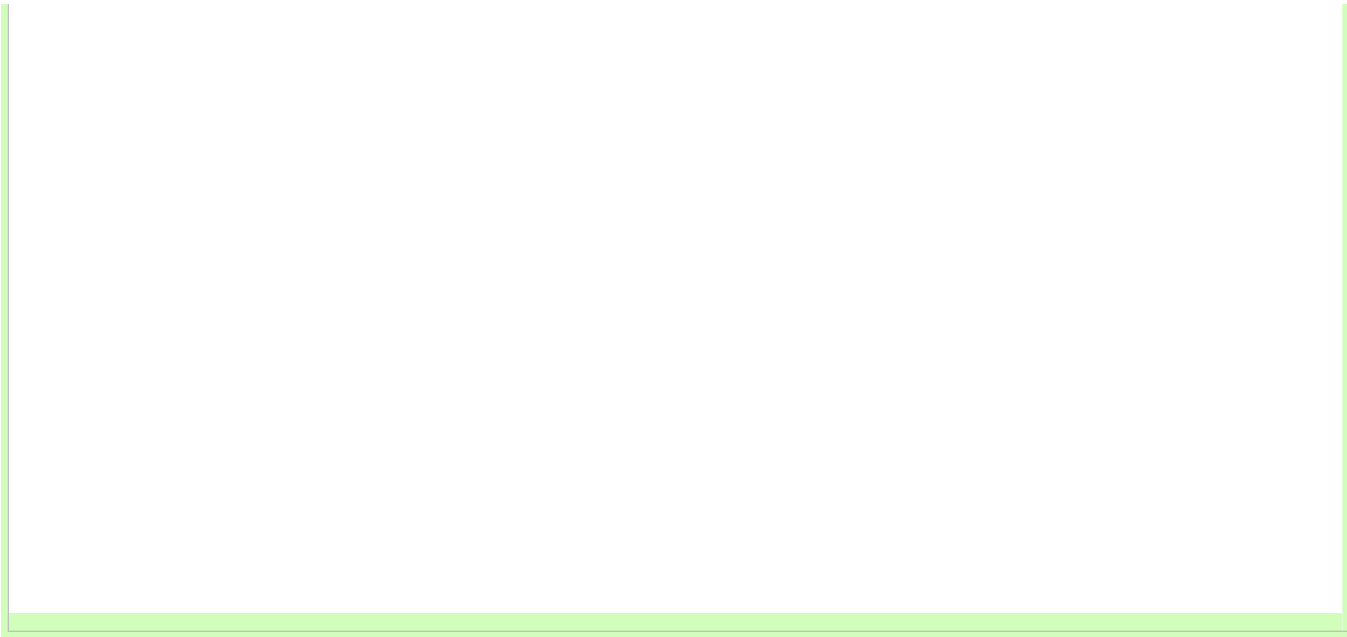
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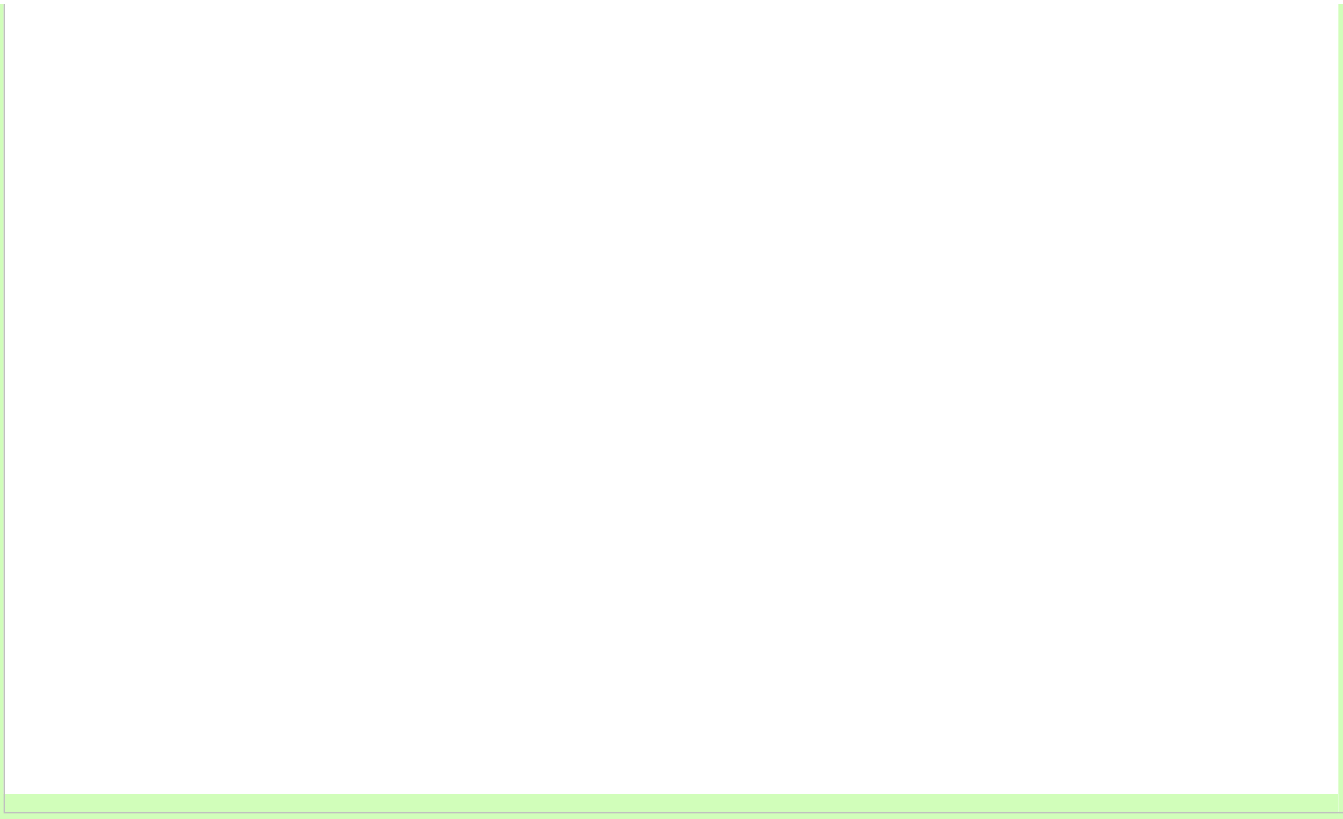


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Commitment Extension and Amendment Agreement - CF ROYAL BANK OF CANADA as a 2027 Extending Lender and a Consenting Lender Name: Meg Donnelly Title: Authorized Signatory



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Commitment Extension and Amendment Agreement - CF THE BANK OF NOVA SCOTIA as a 2027 Extending Lender and a Consenting Lender Name: David Dewar Title: Director



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TRUIST BANK as a 2027 Extending Lender and a Consenting Lender Name: Title: Commitment Extension and Amendment Agreement - CF



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Commitment Extension and Amendment Agreement - CF Internal TD BANK, N.A. as a 2027 Extending Lender and a Consenting Lender Name: Bernadette Collins Title: Senior Vice President

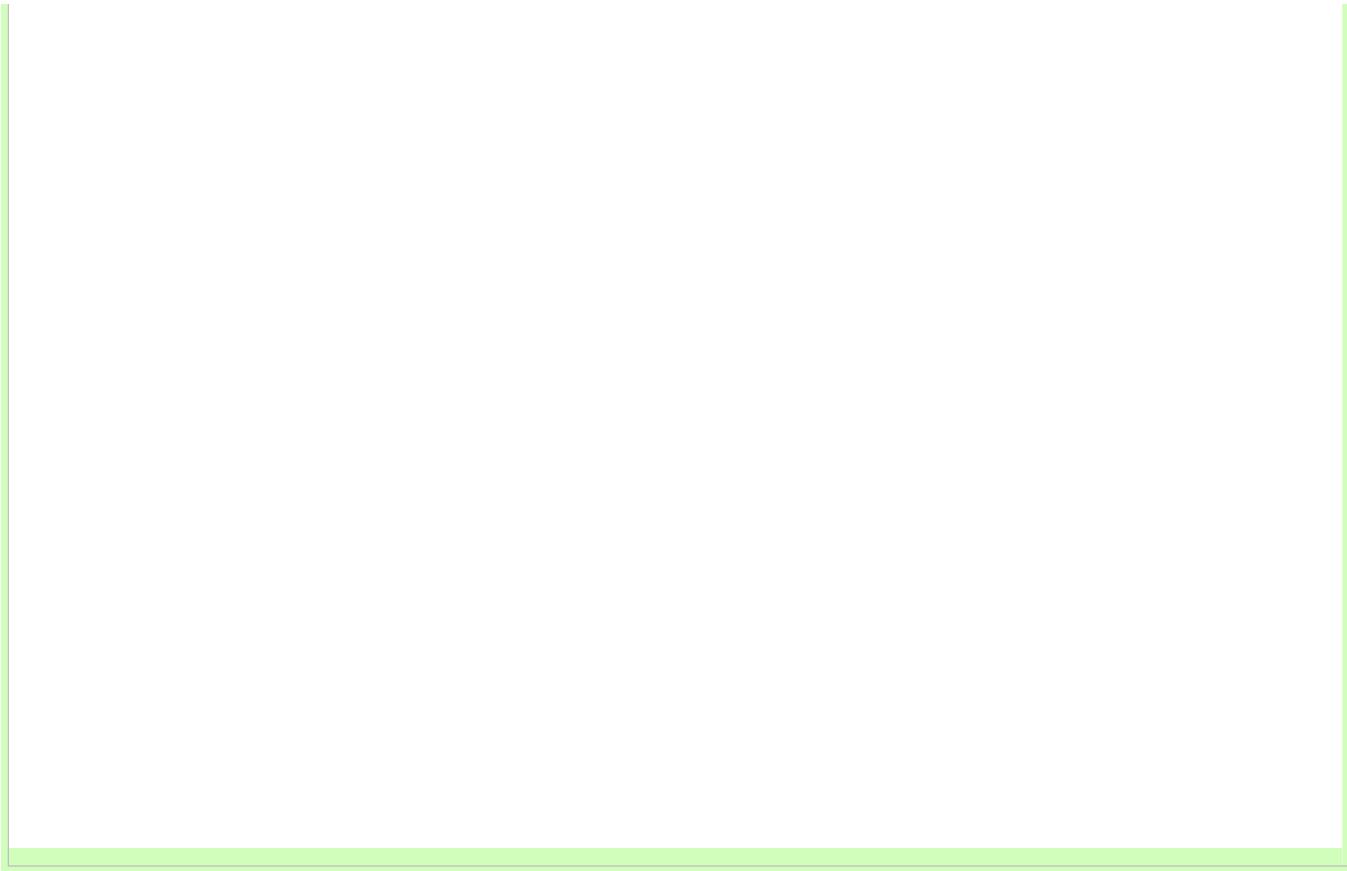


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Commitment Extension and Amendment Agreement - CF THE BANK OF NEW YORK MELLON as a 2027 Extending Lender and a Consenting Lender Name: Molly H. Ross Title: Director



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Commitment Extension and Amendment Agreement - CF Confidential BANCO SANTANDER, S.A., NEW YORK BRANCH, as a Consenting Lender Name: Andres Barbosa Title: Managing Director Name Arturo Prieto Title: Managing Director



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Commitment Extension and Amendment Agreement - CF Appendix A1 2026 INITIAL COMMITMENTS Lender Commitments Banco Santander, S.A., New York Branch \$37,053,571.43 Total \$37,053,571.43 2027 INITIAL COMMITMENTS Lender Commitments Wells Fargo Bank, National Association \$79,790,839.04 JPMorgan Chase Bank, N.A. \$79,790,839.02 Bank of America, N.A. \$79,790,839.02 Barclays Bank PLC \$79,790,839.02 Mizuho Bank, Ltd. \$79,790,839.02 Bank of Montreal \$62,872,437.63 Canadian Imperial Bank of Commerce, New York Branch \$62,872,437.63 Goldman Sachs Bank USA \$62,872,437.63 Morgan Stanley Bank, N.A. \$62,872,437.63 MUFG Bank, Ltd. \$62,872,437.63 PNC Bank, National Association \$62,872,437.63 Royal Bank of Canada \$62,872,437.63 The Bank of Nova Scotia \$62,872,437.63 Truist Bank \$62,872,437.63 U.S. Bank National Association \$62,872,437.63 First National Bank of Pennsylvania \$37,053,571.43 Sumitomo Mitsui Banking Corporation \$37,053,571.43 TD Bank, N.A. \$37,053,571.43 The Bank of New York Mellon \$37,053,571.43 The Huntington National Bank \$37,053,571.43 Total \$1,212,946,428.57



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Commitment Extension and Amendment Agreement - CF Appendix A3 2026 KU COMMITMENTS Lender Commitments Banco Santander, S.A., New York Branch \$11,857,142.86 Total \$11,857,142.86 2027 KU COMMITMENTS Lender Commitments Wells Fargo Bank, National Association \$25,533,068.48 JPMorgan Chase Bank, N.A. \$25,533,068.49 Bank of America, N.A. \$25,533,068.49 Barclays Bank PLC \$25,533,068.49 Mizuho Bank, Ltd. \$25,533,068.49 Bank of Montreal \$20,119,180.04 Canadian Imperial Bank of Commerce, New York Branch \$20,119,180.04 Goldman Sachs Bank USA \$20,119,180.04 Morgan Stanley Bank, N.A. \$20,119,180.04 MUFG Bank, Ltd. \$20,119,180.04 PNC Bank, National Association \$20,119,180.04 Royal Bank of Canada \$20,119,180.04 The Bank of Nova Scotia \$20,119,180.04 Truist Bank \$20,119,180.04 U.S. Bank National Association \$20,119,180.04 First National Bank of Pennsylvania \$11,857,142.86 Sumitomo Mitsui Banking Corporation \$11,857,142.86 TD Bank, N.A. \$11,857,142.86 The Bank of New York Mellon \$11,857,142.86 The Huntington National Bank \$11,857,142.86 Total \$388,142,857.14



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Commitment Extension and Amendment Agreement - CF Appendix A4 2026 LGE COMMITMENTS Lender Commitments Banco Santander, S.A., New York Branch \$14,821,428.57 Total \$14,821,428.57 2027 LGE COMMITMENTS Lender Commitments Wells Fargo Bank, National Association \$31,916,335.64 JPMorgan Chase Bank, N.A. \$31,916,335.61 Bank of America, N.A. \$31,916,335.61 Barclays Bank PLC \$31,916,335.61 Mizuho Bank, Ltd. \$31,916,335.61 Bank of Montreal \$25,148,975.05 Canadian Imperial Bank of Commerce, New York Branch \$25,148,975.05 Goldman Sachs Bank USA \$25,148,975.05 Morgan Stanley Bank, N.A. \$25,148,975.05 MUFG Bank, Ltd. \$25,148,975.05 PNC Bank, National Association \$25,148,975.05 Royal Bank of Canada \$25,148,975.05 The Bank of Nova Scotia \$25,148,975.05 Trust Bank \$25,148,975.05 U.S. Bank National Association \$25,148,975.05 First National Bank of Pennsylvania \$14,821,428.57 Sumitomo Mitsui Banking Corporation \$14,821,428.57 TD Bank, N.A. \$14,821,428.57 The Bank of New York Mellon \$14,821,428.57 The Huntington National Bank \$14,821,428.57 Total \$485,178,571.43



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Execution Version COMMITMENT EXTENSION AGREEMENT AND AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (Commitment Extension Pursuant to Section 2.08(d) of Credit Agreement and Amendments Pursuant to Section 9.05 of Existing Credit Agreement) This COMMITMENT EXTENSION AGREEMENT AND AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "Agreement") dated as of February 29, 2024, is entered into by and among PPL ELECTRIC UTILITIES CORPORATION, a Pennsylvania corporation (the "Borrower"), the undersigned Lenders (as defined in the Credit Agreement) extending their 2027 Revolving Commitments (as defined in the Credit Agreement) (the "2027 Extending Lenders"), the Consenting Lenders (as defined below) party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (in such capacity, the "Administrative Agent"), Swingline Lender and Issuing Lender. Capitalized terms used and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement (as hereinafter defined). RECITALS A. Borrower, the 2027 Extending Lenders, the Consenting Lenders and the Administrative Agent are parties to that certain Amended and Restated Revolving Credit Agreement dated as of December 6, 2021 (as amended by that certain Amendment No. 1 to Amended and Restated Revolving Credit Agreement, dated as March 30, 2023, and as further amended, restated, or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement" and as amended hereby, the "Credit Agreement"). B. Pursuant to Section 2.08(d) of the Credit Agreement, the Borrower desires to change the existing 2027 Termination Date, effective as of the Effective Date, from December 6, 2027 to December 6, 2028 and the 2027 Revolving Lenders party hereto constituting 2027 Extending Lenders and holding 2027 Revolving Commitments that aggregate at least 51% of the aggregate 2027 Revolving Commitments agree to such extension. Pursuant to Section 2.08(d) of the Credit Agreement, Borrower has requested an extension of the 2027 Termination Date (the "2027 Commitment Extension") of the 2027 Revolving Commitments from December 6, 2027 to December 6, 2028, effective on the Effective Date. C. Each of the undersigned 2027 Extending Lenders has agreed to extend its 2027 Revolving Commitment in accordance with Section 1 hereto. D. Pursuant to Section 9.05 of the Credit Agreement, the Borrower desires to amend the definition of "Quarterly Date" in Section 1.01 of the Existing Credit Agreement as set forth in Section 4 of this Agreement, and the Lenders party hereto constituting all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment (as defined below) (the "Consenting Lenders") agree to such amendment. NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows: 1. Extension of Commitments. Effective as of the Effective Date, the 2027 Termination Date of the 2027 Revolving Commitment of each 2027 Extending Lender shall be extended to December 6, 2028 which, for purposes of Section 2.08(d)(ii) of the Credit Agreement, shall be the "Current Termination Date" with respect to the 2027 Revolving Commitments. Each 2027 Extending Lender hereby waives the notice periods, notice and timing requirements set forth in Section 2.08(d) of the Credit Agreement for the extension of the 2027 Termination Date. 2. Conditions Precedent to Effectiveness of Commitment Extension and Amendments. The Commitment Extensions and the amendments to the Existing Credit Agreement as set forth in Sections 3 to 5 hereunder shall be effective on and as of the first date on which the following conditions have been satisfied (the "Effective Date").



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2.1) Administrative Agent shall have received: a) counterparts of this Agreement, executed by the Borrower, each 2027 Extending Lender and the Consenting Lenders (which, for the avoidance of doubt, constitutes all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment); b) an Extension Letter relating to the 2027 Commitment Extension as required by Section 2.08(d)(i); c) a certificate of the Borrower dated the Effective Date and signed by a Responsible Officer of the Borrower, certifying that: i) on such date, no Default under the Credit Agreement has occurred and is continuing; ii) the representations and warranties of the Borrower contained in the Credit Agreement are true and correct as of the Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date and except for the representations and warranties in Section 5.04(c), Section 5.05 and Section 5.13 of the Credit Agreement; and iii) any governmental, regulatory and third party approvals of any Governmental Authority, including, without limitation, the PUC and/or FERC, required to be obtained by the Borrower to authorize the Commitment Extensions are attached thereto and remain in full force and effect; d) Opinions of (i) Bracewell LLP, counsel to the Borrower, and (ii) in-house counsel to the Borrower, addressed to the Administrative Agent and each Lender, dated the Effective Date, in form and substance satisfactory to the Administrative Agent; 2) Borrower shall have paid all fees and expenses that are required to be paid as of the date set forth in that certain fee letter dated February 5, 2024, between the Borrower and Wells Fargo Securities, LLC; 3) Lenders holding Commitments that aggregate at least 51% of the aggregate 2027 Revolving Commitments of the Lenders on or prior to the Effective Date shall have agreed to extend the 2027 Termination Date in accordance with the terms hereof; and 4) the Master Assignment and Assumption Agreement (the "Master Assignment"), by and among the Borrower, the Administrative Agent, Credit Suisse AG, New York Branch, as assignor of all of its Commitments and the Lenders party thereto as assignees, shall have been executed and is effective immediately prior to the Effective Date. 3. 2027 Termination Date Extension. Upon execution of this Agreement by the requisite Lenders under Sections 2.08(d) and 9.05 of the Existing Credit Agreement, with effect from and including the Effective Date, Section 1.01 of the Existing Credit Agreement is amended by deleting the definition of "2027 Termination Date" in its entirety and replacing it with the following: "'2027 Termination Date' means the earlier to occur of (i) December 6, 2028, as may be extended from time to time pursuant to Section 2.08(d), and (ii) the date upon which all 2027 Revolving Commitments shall have been terminated in their entirety in accordance with this Agreement." 4. Quarterly Date Amendment. Upon execution of this Agreement by the requisite Lenders under Section 9.05 of the Existing Credit Agreement (which, for the avoidance of doubt, includes all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment), with effect from and including the Effective Date, Section 1.01 of the Existing Credit Agreement is amended by deleting the definition of "Quarterly Date" in its entirety and replacing it with the following:



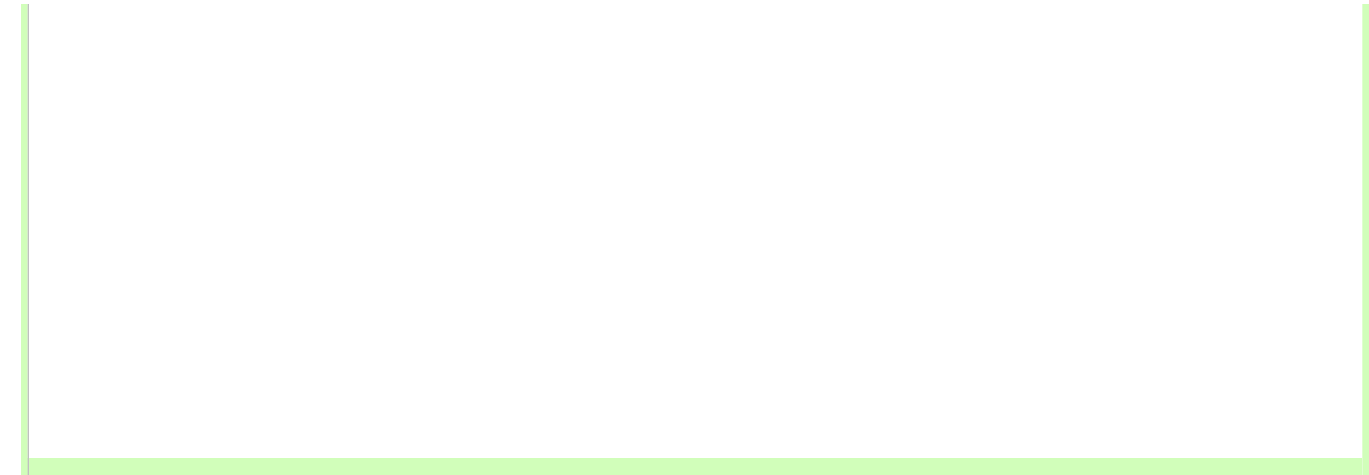
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on not more than one occasion, in each case, during the term of the revolving credit facilities hereunder". 6. Commitments. Each party hereto acknowledges and agrees that as of the Effective Date, Appendix A of the Credit Agreement is replaced with Appendix A of this Agreement. 7. Miscellaneous. (a) (i) Headings and captions may not be construed in interpreting provisions; (ii) this Agreement shall be governed by, and construed in accordance with, the law of the State of New York; and (iii) this Agreement may be executed in any number of counterparts with the same effect as if all signatories had signed the same document, and all of those counterparts must be construed together to constitute the same document. Delivery of an executed signature page of this Agreement by facsimile transmission or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart hereof. The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to the Agreement shall be deemed to include electronic signatures or execution in the form of an electronic record, and contract formations on electronic platforms approved by the Agent; deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto. (b) Upon and after the execution of this Agreement by each of the parties hereto, each reference in the Credit Agreement to "this Agreement", "thereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "hereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified hereby. This Agreement shall constitute a Loan Document. (c) The provisions set forth in Section 9.07 and 9.11 of the Credit Agreement are incorporated herein by reference, mutatis mutandis. 8. NO NOVATION; FULL FORCE AND EFFECT; RATIFICATION; ENTIRE AGREEMENT. NOTHING HEREIN CONTAINED SHALL BE CONSTRUED AS A NOVATION (OR A SUBSTITUTION, A PAYMENT AND REBORROWING, OR A TERMINATION) OF THE OBLIGATIONS OUTSTANDING UNDER THE CREDIT AGREEMENT OR INSTRUMENTS GUARANTEEING OR SECURING THE SAME. EXCEPT AS EXPRESSLY MODIFIED HEREIN, ALL OF THE TERMS, COVENANTS AND CONDITIONS OF THE EXISTING CREDIT AGREEMENT ARE UNCHANGED AND REMAIN IN FULL FORCE AND EFFECT, AND, AS MODIFIED HEREBY, THE BORROWER CONFIRMS AND RATIFIES ALL OF THE TERMS, COVENANTS AND CONDITIONS OF THE EXISTING CREDIT AGREEMENT. THIS AGREEMENT SHALL CONSTITUTE A LOAN DOCUMENT FOR ALL PURPOSES OF THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS. THE EXECUTION, DELIVERY AND EFFECTIVENESS OF THIS AGREEMENT SHALL NOT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, OPERATE AS A WAIVER OF ANY RIGHT, POWER OR REMEDY OF ANY LENDER OR



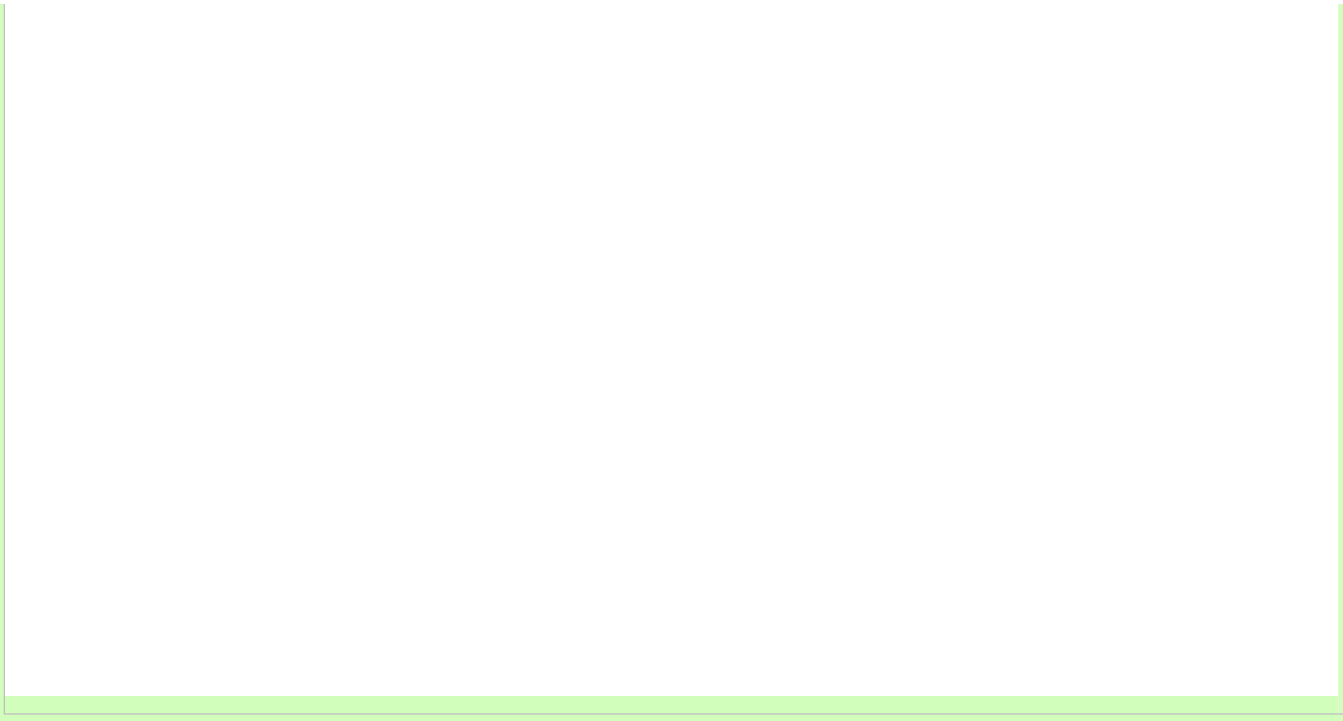
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4 THE ADMINISTRATIVE AGENT UNDER ANY OF THE LOAN DOCUMENTS, NOR, EXCEPT AS EXPRESSLY APPROVED HEREIN, CONSTITUTE A WAIVER OR AMENDMENT OF ANY PROVISION OF ANY OF THE LOAN DOCUMENTS, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, TOGETHER WITH THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. [Signature Pages to Follow]



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Commitment Extension and Amendment Agreement - EU WELLS FARGO BANK, NATIONAL ASSOCIATION as Administrative Agent, Swingline Lender and Issuing Lender By: Name: Patrick Engel Title: Managing Director



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Commitment Extension and Amendment Agreement – EU WELLS FARGO BANK, NATIONAL ASSOCIATION as a 2027 Extending Lender and a Consenting Lender Name: Patrick Engel Title: Managing Director



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JPMORGAN CHASE BANK, N.A., as a 2027 Extending Lender and a Consenting Lender Name: Khawaja Tariq Vice President Title: Commitment Extension and Amendment Agreement- EU



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Commitment Extension and Amendment Agreement – EU BANK OF AMERICA, N.A. as a 2027 Extending Lender and a Consenting Lender Name: Dee Dee Farkas Title: Managing Director



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BARCLAYS BANK PLC as a 2027 Extending Lender and a Consenting Lender /) I Name: Title: Commitment Extension and Amendment Agreement- EU



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Commitment Extension and Amendment Agreement – EU BANK OF MONTREAL as a 2027 Extending Lender and a Consenting Lender Name: Yash Gandhi Title: Vice President



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Commitment Extension and Amendment Agreement – EU Canadian Imperial Bank of Commerce, New York Branch as a 2027 Extending Lender and a Consenting Lender Name: Amit Vasani Title: Managing Director



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Commitment Extension and Amendment Agreement - EU GOLDMAN SACHS BANK USA as a 2027 Extending Lender and a Consenting Lender By: Name: Andrew Vernon Title: Authorized Signatory



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Commitment Extension and Amendment Agreement - EU MORGAN STANLEY BANK, N.A. as a 2027 Extending Lender and a Consenting Lender By: Name: Michael King Title: Authorized Signatory



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MUFG BANK, LTD., as a 2027 Extending Lender and a Consenting Lender ✓ @ Name: Title: Viet-Linh Fujitaki Director Commitment Extension and Amendment Agreement - Et



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PNC BANK, NATIONAL ASSOCIATION as a 2027 Extending Lender and a Consenting Lender Name: Ryan Rockwood Title: Vice President Commitment Extension and Amendment Agreement - EU



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Commitment Extension and Amendment Agreement – EU ROYAL BANK OF CANADA as a 2027 Extending Lender and a Consenting Lender Name: Meg Donnelly Title: Authorized Signatory



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SUMITOMO MITSUI BANKING CORPORATION as a 2027 Extending Lender and a Consenting Lender Name: Akshay Nanavaty Title: Executive Director Commitment Extension and Amendment Agreement – EU



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Commitment Extension and Amendment Agreement – EU TD BANK, N.A. as a 2027 Extending Lender and a Consenting Lender Name: Bernadette Collins Title: Senior Vice President



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Commitment Extension and Amendment Agreement – EU THE BANK OF NEW YORK MELLON as a 2027 Extending Lender and a Consenting Lender Name: Molly H. Ross Title: Director



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THE HUNTINGTON NATIONAL BANK as a 2027 Extending Lender and a Consenting Lender Name: Christopher Olsen Title: Vice President Commitment Extension and Amendment Agreement - EU



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Commitment Extension and Amendment Agreement - EU Appendix A 2026 REVOLVING COMMITMENTS Lender Commitments Banco Santander, S.A., New York Branch \$19,267,857.14 Total \$19,267,857.14 2027 REVOLVING COMMITMENTS Lender Commitments Wells Fargo Bank, National Association \$41,491,236.30 JPMorgan Chase Bank, N.A. \$41,491,236.29 Bank of America, N.A. \$41,491,236.29 Barclays Bank PLC \$41,491,236.29 Mizuho Bank, Ltd. \$41,491,236.29 Bank of Montreal \$32,693,667.57 Canadian Imperial Bank of Commerce, New York Branch \$32,693,667.57 Goldman Sachs Bank USA \$32,693,667.57 Morgan Stanley Bank, N.A. \$32,693,667.57 MUFG Bank, Ltd. \$32,693,667.57 PNC Bank, National Association \$32,693,667.57 Royal Bank of Canada \$32,693,667.57 The Bank of Nova Scotia \$32,693,667.57 Truist Bank \$32,693,667.57 U.S. Bank National Association \$32,693,667.57 First National Bank of Pennsylvania \$19,267,857.14 Sumitomo Mitsui Banking Corporation \$19,267,857.14 TD Bank, N.A. \$19,267,857.14 The Bank of New York Mellon \$19,267,857.14 The Huntington National Bank \$19,267,857.14 Total \$630,732,142.86



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Execution Version COMMITMENT EXTENSION AGREEMENT AND AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (Commitment Extension Pursuant to Section 2.08(d) of Credit Agreement and Amendments Pursuant to Section 9.05 of Existing Credit Agreement) This COMMITMENT EXTENSION AGREEMENT AND AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "Agreement") dated as of February 29, 2024, is entered into by and among LOUISVILLE GAS AND ELECTRIC COMPANY, a Kentucky corporation (the "Borrower"), the undersigned Lenders (as defined in the Credit Agreement) extending their 2027 Revolving Commitments (as defined in the Credit Agreement) (the "2027 Extending Lenders"), the Consenting Lenders (as defined below) party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (in such capacity, the "Administrative Agent"), Swingline Lender and Issuing Lender. Capitalized terms used and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement (as hereinafter defined). RECITALS A. Borrower, the 2027 Extending Lenders, the Consenting Lenders and the Administrative Agent are parties to that certain Amended and Restated Revolving Credit Agreement dated as of December 6, 2021 (as amended by that certain Amendment No. 1 to Amended and Restated Revolving Credit Agreement, dated as March 30, 2023, and as further amended, restated, or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement" and as amended hereby, the "Credit Agreement"). B. Pursuant to Section 2.08(d) of the Credit Agreement, the Borrower desires to change the existing 2027 Termination Date, effective as of the Effective Date, from December 6, 2027 to December 6, 2028 and the 2027 Revolving Lenders party hereto constituting 2027 Extending Lenders and holding 2027 Revolving Commitments that aggregate at least 51% of the aggregate 2027 Revolving Commitments agree to such extension. Pursuant to Section 2.08(d) of the Credit Agreement, Borrower has requested an extension of the 2027 Termination Date (the "2027 Commitment Extension") of the 2027 Revolving Commitments from December 6, 2027 to December 6, 2028, effective on the Effective Date. C. Each of the undersigned 2027 Extending Lenders has agreed to extend its 2027 Revolving Commitment in accordance with Section 1 hereto. D. Pursuant to Section 9.05 of the Credit Agreement, the Borrower desires to amend the definition of "Quarterly Date" in Section 1.01 of the Existing Credit Agreement as set forth in Section 4 of this Agreement, and the Lenders party hereto constituting all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment (as defined below) (the "Consenting Lenders") agree to such amendment. NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows: 1. Extension of Commitments. Effective as of the Effective Date, the 2027 Termination Date of the 2027 Revolving Commitment of each 2027 Extending Lender shall be extended to December 6, 2028 which, for purposes of Section 2.08(d)(i) of the Credit Agreement, shall be the "Current Termination Date" with respect to the 2027 Revolving Commitments. Each 2027 Extending Lender hereby waives the notice periods, notice and timing requirements set forth in Section 2.08(d) of the Credit Agreement for the extension of the 2027 Termination Date. 2. Conditions Precedent to Effectiveness of Commitment Extension and Amendments. The Commitment Extensions and the amendments to the Existing Credit Agreement as set forth in Sections 3 to 5 hereunder shall be effective on and as of the first date on which the following conditions have been satisfied (the "Effective Date").



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2.1) Administrative Agent shall have received: a) counterparts of this Agreement, executed by the Borrower, each 2027 Extending Lender and the Consenting Lenders (which, for the avoidance of doubt, constitutes all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment); b) an Extension Letter relating to the 2027 Commitment Extension as required by Section 2.08(d)(ii); c) a certificate of the Borrower dated the Effective Date and signed by a Responsible Officer of the Borrower, certifying that: i) on such date, no Default under the Credit Agreement has occurred and is continuing; ii) the representations and warranties of the Borrower contained in the Credit Agreement are true and correct as of the Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date and except for the representations and warranties in Section 5.04(c), Section 5.05 and Section 5.13 of the Credit Agreement; and iii) any governmental, regulatory and third party approvals of any Governmental Authority including, without limitation, the KPSC and/or FERC, required to be obtained by the Borrower to authorize the Commitment Extensions are attached thereto and remain in full force and effect; d) Opinions of (i) Bracewell LLP, counsel to the Borrower, and (ii) in-house counsel to the Borrower, addressed to the Administrative Agent and each Lender, dated the Effective Date, in form and substance satisfactory to the Administrative Agent; 2) Borrower shall have paid all fees and expenses that are required to be paid as of the date set forth in that certain fee letter dated February 5, 2024, between the Borrower and Wells Fargo Securities, LLC; 3) Lenders holding Commitments that aggregate at least 51% of the aggregate 2027 Revolving Commitments of the Lenders on or prior to the Effective Date shall have agreed to extend the 2027 Termination Date in accordance with the terms hereof; and 4) the Master Assignment and Assumption Agreement (the "Master Assignment"), by and among the Borrower, the Administrative Agent, Credit Suisse AG, New York Branch, as assignor of all of its Commitments and the Lenders party thereto as assignees, shall have been executed and is effective immediately prior to the Effective Date; 3. 2027 Termination Date Extension. Upon execution of this Agreement by the requisite Lenders under Sections 2.08(d) and 9.05 of the Existing Credit Agreement, with effect from and including the Effective Date, Section 1.01 of the Existing Credit Agreement is amended by deleting the definition of "2027 Termination Date" in its entirety and replacing it with the following: "2027 Termination Date" means the earlier to occur of (i) December 6, 2028, as may be extended from time to time pursuant to Section 2.08(d), and (ii) the date upon which all 2027 Revolving Commitments shall have been terminated in their entirety in accordance with this Agreement;" 4. Quarterly Date Amendment. Upon execution of this Agreement by the requisite Lenders under Section 9.05 of the Existing Credit Agreement (which, for the avoidance of doubt, includes all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment), with effect from and including the Effective Date, Section 1.01 of the Existing Credit Agreement is amended by deleting the definition of "Quarterly Date" in its entirety and replacing it with the following:



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3. "Quarterly Date" means the tenth (10th) Business Day following the last day of each of March, June, September and December." 5. Optional Extensions Amendment. Upon execution of this Agreement by the requisite Lenders under Section 9.05 of the Existing Credit Agreement, with effect from and including the Effective Date, the words "but on not more than two occasions during the term of the revolving credit facilities hereunder" in the first sentence of Section 2.08(d)(ii) of the Existing Credit Agreement is amended by replacing it with the following: "but (i) with respect to the 2026 Revolving Commitments, on not more than two occasions and (ii) with respect to the 2027 Revolving Commitments, on not more than one occasion, in each case, during the term of the revolving credit facilities hereunder". 6. Commitments. Each party hereto acknowledges and agrees that as of the Effective Date, Appendix A of the Credit Agreement is replaced with Appendix A of this Agreement. 7. Miscellaneous. (a) (i) Headings and captions may not be construed in interpreting provisions; (ii) this Agreement shall be governed by, and construed in accordance with, the law of the State of New York; and (iii) this Agreement may be executed in any number of counterparts with the same effect as if all signatories had signed the same document, and all of those counterparts must be construed together to constitute the same document. Delivery of an executed signature page of this Agreement by facsimile transmission or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart hereof. The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to the Agreement shall be deemed to include electronic signatures or execution in the form of an electronic record, and contract formations on electronic platforms approved by the Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto. (b) Upon and after the execution of this Agreement by each of the parties hereto, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified hereby. This Agreement shall constitute a Loan Document. (c) The provisions set forth in Section 9.07 and 9.11 of the Credit Agreement are incorporated herein by reference, mutatis mutandis. 8. NO NOVATION; FULL FORCE AND EFFECT; RATIFICATION; ENTIRE AGREEMENT. NOTHING HEREIN CONTAINED SHALL BE CONSTRUED AS A NOVATION (OR A SUBSTITUTION, A PAYMENT AND REBORROWING, OR A TERMINATION) OF THE OBLIGATIONS OUTSTANDING UNDER THE CREDIT AGREEMENT OR INSTRUMENTS GUARANTEEING OR SECURING THE SAME. EXCEPT AS EXPRESSLY MODIFIED HEREIN, ALL OF THE TERMS AND CONDITIONS OF THE EXISTING CREDIT AGREEMENT ARE

UNCHANGED AND REMAIN IN FULL FORCE AND EFFECT, AND, AS MODIFIED HEREBY, THE BORROWER CONFIRMS AND RATIFIES ALL OF THE TERMS, COVENANTS AND CONDITIONS OF THE EXISTING CREDIT AGREEMENT. THIS AGREEMENT SHALL CONSTITUTE A LOAN DOCUMENT FOR ALL PURPOSES OF THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS. THE EXECUTION, DELIVERY AND EFFECTIVENESS OF THIS AGREEMENT SHALL NOT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, OPERATE AS A WAIVER OF ANY RIGHT, POWER OR REMEDY OF ANY LENDER OR

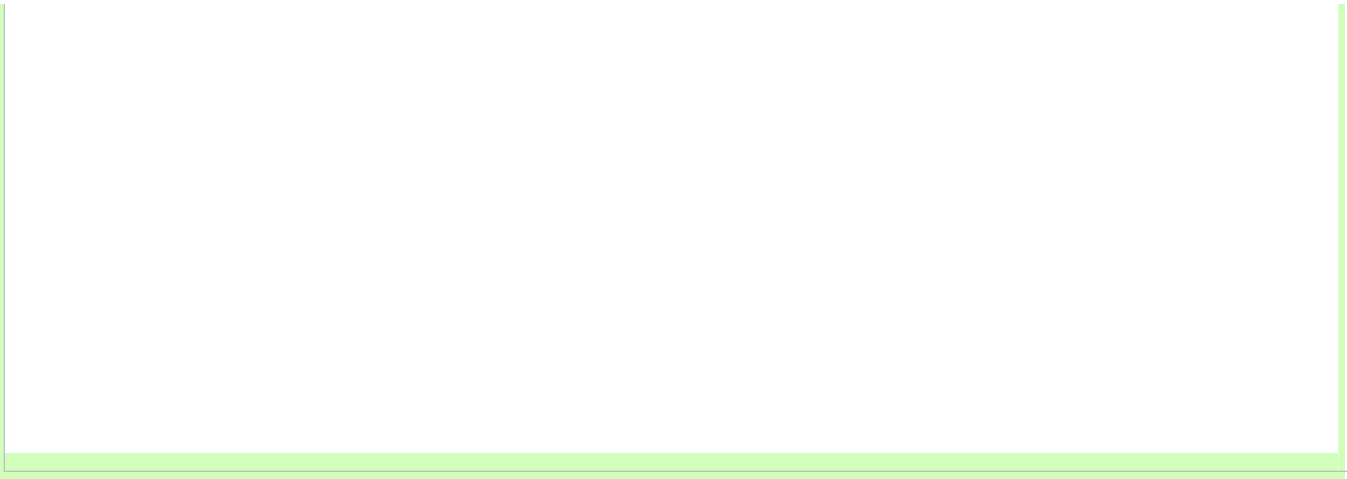


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4 THE ADMINISTRATIVE AGENT UNDER ANY OF THE LOAN DOCUMENTS, NOR, EXCEPT AS EXPRESSLY APPROVED HEREIN, CONSTITUTE A WAIVER OR AMENDMENT OF ANY PROVISION OF ANY OF THE LOAN DOCUMENTS. THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, TOGETHER WITH THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. [Signature Pages to Follow]



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Commitment Extension and Amendment Agreement - LGE WELLS FARGO BANK, NATIONAL ASSOCIATION as Administrative Agent, Swingline Lender and Issuing Lender By: Name: Patrick Engel Title: Managing Director



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Commitment Extension and Amendment Agreement - LGE WELLS FARGO BANK, NATIONAL ASSOCIATION as a 2027 Extending Lender and a Consenting Lender Name: Patrick Engel Title: Managing Director



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Commitment Extension and Amendment Agreement - LGE BANK OF AMERICA, N.A. as a 2027 Extending Lender and a Consenting Lender Name: Dee Dee Farkas Title: Managing Director



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MIZUHO BANK, LTD. as a 2027 Extending Lender and a Consenting Lender Name: Edward Sacks Title: Authorized Signatory Commitment Extension and Amendment Agreement - LCE





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Commitment Extension and Amendment Agreement - LGE GOLDMAN SACHS BANK USA as a 2027 Extending Lender and a Consenting Lender By: Name: Andrew Vernon Title: Authorized Signatory

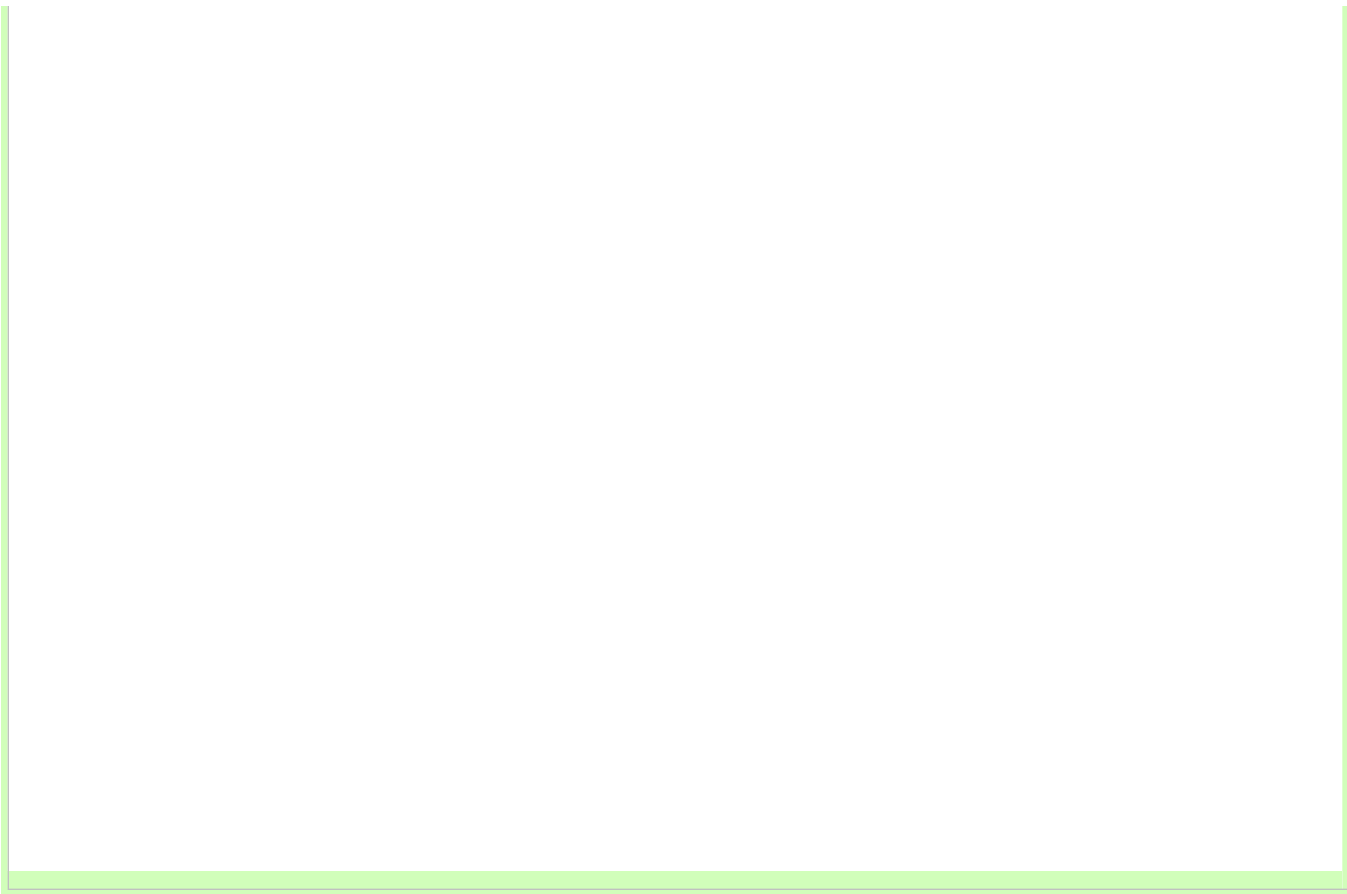


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Commitment Extension and Amendment Agreement - LGE MORGAN STANLEY BANK, N.A. as a 2027 Extending Lender and a Consenting Lender By: Name: Michael King Title: Authorized Signatory



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Commitment Extension and Amendment Agreement - LGE ROYAL BANK OF CANADA as a 2027 Extending Lender and a Consenting Lender Name: Men Donnelly Title: Authorized Signator



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Commitment Extension and Amendment Agreement - LGE THE BANK OF NOVA SCOTIA as a 2027 Extending Lender and a Consenting Lender Name: David Dewar Title: Director



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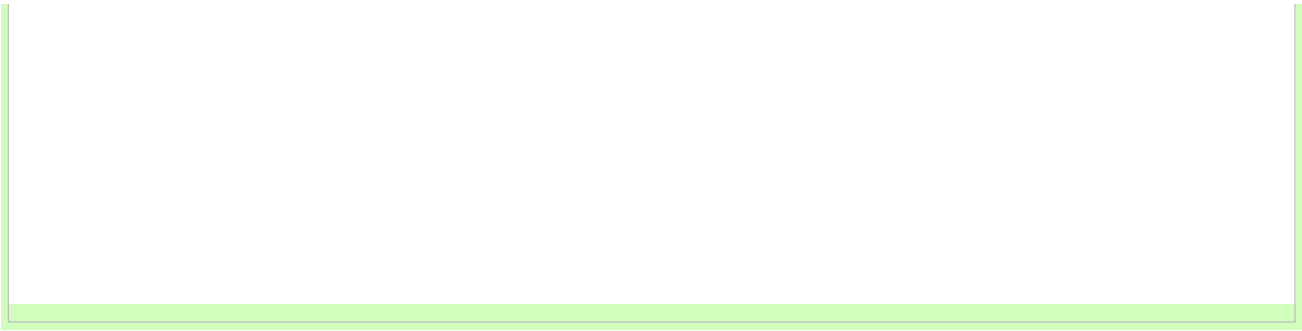
TRUISTBANK as a 2027 Extending Lender and a Consenting Lender Name: Title: Commitment Extension and Amendment Agreement - LGE







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SUMITOMO MITSUI BANKING CORPORATION as a 2027 Extending Lender and a Consenting Lender Name: Aklesh Nanavaty Title: Executive Director Commitment Extension and Amendment Agreement - LGE



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Commitment Extension and Amendment Agreement - LGE TD BANK, N.A. as a 2027 Extending Lender and a Consenting Lender Name: Bernadette Collins Title: Senior Vice President



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Commitment Extension and Amendment Agreement - LGE THE BANK OF NEW YORK MELLON as a 2027 Extending Lender and a Consenting Lender Name: Molly H. Ross Title: Director



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Commitment Extension and Amendment Agreement - LGE Confidential BANCO SANTANDER, S.A., NEW YORK BRANCH, as a Consenting Lender Name: Andres Barbosa Title: Managing Director Name: Arturo Prieto Title: Managing Director



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Execution Version COMMITMENT EXTENSION AGREEMENT AND AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (Commitment Extension Pursuant to Section 2.08(d) of Credit Agreement and Amendments Pursuant to Section 9.05 of Existing Credit Agreement) This COMMITMENT EXTENSION AGREEMENT AND AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "Agreement") dated as of February 29, 2024, is entered into by and among KENTUCKY UTILITIES COMPANY, a Kentucky corporation and a Virginia corporation (the "Borrower"), the undersigned Lenders (as defined in the Credit Agreement) extending their 2027 Revolving Commitments (as defined in the Credit Agreement) (the "2027 Extending Lenders"), the Consenting Lenders (as defined below) party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (in such capacity, the "Administrative Agent"), Swingline Lender and Issuing Lender. Capitalized terms used and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement (as hereinafter defined). RECITALS A. Borrower, the 2027 Extending Lenders, the Consenting Lenders and the Administrative Agent are parties to that certain Amended and Restated Revolving Credit Agreement dated as of December 6, 2021 (as amended by that certain Amendment No. 1 to Amended and Restated Revolving Credit Agreement, dated as March 30, 2023, and as further amended, restated, or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement" and as amended hereby, the "Credit Agreement"). B. Pursuant to Section 2.08(d) of the Credit Agreement, the Borrower desires to change the existing 2027 Termination Date, effective as of the Effective Date, from December 6, 2027 to December 6, 2028 and the 2027 Revolving Lenders party hereto constituting 2027 Extending Lenders and holding 2027 Revolving Commitments that aggregate at least 51% of the aggregate 2027 Revolving Commitments agree to such extension. Pursuant to Section 2.08(d) of the Credit Agreement, Borrower has requested an extension of the 2027 Termination Date (the "2027 Commitment Extension") of the 2027 Revolving Commitments from December 6, 2027 to December 6, 2028, effective on the Effective Date. C. Each of the undersigned 2027 Extending Lenders has agreed to extend its 2027 Revolving Commitment in accordance with Section 1 hereto. D. Pursuant to Section 9.05 of the Credit Agreement, the Borrower desires to amend the definition of "Quarterly Date" in Section 1.01 of the Existing Credit Agreement as set forth in Section 4 of this Agreement, and the Lenders party hereto constituting all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment (as defined below) (the "Consenting Lenders") agree to such amendment. NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows: 1. Extension of Commitments. Effective as of the Effective Date, the 2027 Termination Date of the 2027 Revolving Commitment of each 2027 Extending Lender shall be extended to December 6, 2028 which, for purposes of Section 2.08(d)(ii) of the Credit Agreement, shall be the "Current Termination Date" with respect to the 2027 Revolving Commitments. Each 2027 Extending Lender hereby waives the notice periods, notice and timing requirements set forth in Section 2.08(d) of the Credit Agreement for the extension of the 2027 Termination Date. 2. Conditions Precedent to Effectiveness of Commitment Extension and Amendments. The Commitment Extensions and the amendments to the Existing Credit Agreement as set forth in Sections 3 to 5 hereunder shall be effective on and as of the first date on which the following conditions have been satisfied (the "Effective Date").



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2.1) Administrative Agent shall have received: a) counterparts of this Agreement, executed by the Borrower, each 2027 Extending Lender and the Consenting Lenders (which, for the avoidance of doubt, constitutes all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment); b) an Extension Letter relating to the 2027 Commitment Extension as required by Section 2.08(d)(ii); c) a certificate of the Borrower dated the Effective Date and signed by a Responsible Officer of the Borrower, certifying that: i) on such date, no Default under the Credit Agreement has occurred and is continuing; ii) the representations and warranties of the Borrower contained in the Credit Agreement are true and correct as of the Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date and except for the representations and warranties in Section 5.04(c), Section 5.05 and Section 5.13 of the Credit Agreement; and iii) any governmental, regulatory and third party approvals of any Governmental Authority, including, without limitation, the KPSC, VSCC and/or FERC, required to be obtained by the Borrower to authorize the Commitment Extensions are attached thereto and remain in full force and effect; d) Opinions of (i) Bracewell LLP, counsel to the Borrower, (ii) in-house counsel to the Borrower and (iii) Stoll Keenon Ogden PLLC, special counsel to the Borrower addressed to the Administrative Agent and each Lender, dated the Effective Date, in form and substance satisfactory to the Administrative Agent; 2) Borrower shall have paid all fees and expenses that are required to be paid as of the date set forth in that certain fee letter dated February 5, 2024, between the Borrower and Wells Fargo Securities, LLC; 3) Lenders holding Commitments that aggregate at least 51% of the aggregate 2027 Revolving Commitments of the Lenders on or prior to the Effective Date shall have agreed to extend the 2027 Termination Date in accordance with the terms hereof; and 4) the Master Assignment and Assumption Agreement (the "Master Assignment"), by and among the Borrower, the Administrative Agent, Credit Suisse AG, New York Branch, as assignor of all of its Commitments and the Lenders party thereto as assignees, shall have been executed and is effective immediately prior to the Effective Date; 3. 2027 Termination Date Extension. Upon execution of this Agreement by the requisite Lenders under Sections 2.08(d) and 9.05 of the Existing Credit Agreement, with effect from and including the Effective Date, Section 1.01 of the Existing Credit Agreement is amended by deleting the definition of "2027 Termination Date" in its entirety and replacing it with the following: "'2027 Termination Date' means the earlier to occur of (i) December 6, 2028, as may be extended from time to time pursuant to Section 2.08(d), and (ii) the date upon which all 2027 Revolving Commitments shall have been terminated in their entirety in accordance with this Agreement;" 4. Quarterly Date Amendment. Upon execution of this Agreement by the requisite Lenders under Section 9.05 of the Existing Credit Agreement (which, for the avoidance of doubt, includes all Lenders under the Existing Credit Agreement immediately prior to the Effective Date but after giving effect to the Master Assignment), with effect from and including the Effective Date, Section 1.01 of the Existing Credit Agreement is amended by deleting the definition of "Quarterly Date" in its entirety and replacing it with the following:



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3. "Quarterly Date" means the tenth (10th) Business Day following the last day of each of March, June, September and December." 5. Optional Extensions Amendment. Upon execution of this Agreement by the requisite Lenders under Section 9.05 of the Existing Credit Agreement, with effect from and including the Effective Date, the words "but on not more than two occasions during the term of the revolving credit facilities hereunder" in the first sentence of Section 2.08(d)(ii) of the Existing Credit Agreement is amended by replacing it with the following: "but (i) with respect to the 2026 Revolving Commitments, on not more than two occasions and (i) with respect to the 2027 Revolving Commitments, on not more than one occasion, in each case, during the term of the revolving credit facilities hereunder". 6. Commitments. Each party hereto acknowledges and agrees that as of the Effective Date, Appendix A of the Credit Agreement is replaced with Appendix A of this Agreement. 7. Miscellaneous. (a) (i) Headings and captions may not be construed in interpreting provisions; (ii) this Agreement shall be governed by, and construed in accordance with, the law of the State of New York; and (iii) this Agreement may be executed in any number of counterparts with the same effect as if all signatories had signed the same document, and all of those counterparts must be construed together to constitute the same document. Delivery of an executed signature page of this Agreement by facsimile transmission or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart hereof. The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to the Agreement shall be deemed to include electronic signatures or execution in the form of an electronic record, and contract formations on electronic platforms approved by the Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto. (b) Upon and after the execution of this Agreement by each of the parties hereto, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified hereby. This Agreement shall constitute a Loan Document. (c) The provisions set forth in Section 9.07 and 9.11 of the Credit Agreement are incorporated herein by reference, mutatis mutandis. 8. NO NOVATION; FULL FORCE AND EFFECT; RATIFICATION; ENTIRE AGREEMENT. NOTHING HEREIN CONTAINED SHALL BE CONSTRUED AS A NOVATION (OR A SUBSTITUTION, A PAYMENT AND REBORROWING, OR A TERMINATION) OF THE OBLIGATIONS OUTSTANDING UNDER THE CREDIT AGREEMENT OR INSTRUMENTS GUARANTEEING OR SECURING THE SAME, EXCEPT AS EXPRESSLY MODIFIED HEREIN. ALL OF THE TERMS AND CONDITIONS OF THE EXISTING CREDIT AGREEMENT ARE UNCHANGED AND REMAIN IN FULL FORCE AND EFFECT, AND, AS MODIFIED HEREBY, THE BORROWER CONFIRMS AND RATIFIES ALL OF THE TERMS, COVENANTS AND CONDITIONS OF THE EXISTING CREDIT AGREEMENT. THIS AGREEMENT SHALL CONSTITUTE A LOAN DOCUMENT FOR ALL PURPOSES OF THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS. THE EXECUTION, DELIVERY AND EFFECTIVENESS OF THIS AGREEMENT SHALL NOT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, OPERATE AS A WAIVER OF ANY RIGHT, POWER OR REMEDY OF ANY LENDER OR



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THE ADMINISTRATIVE AGENT UNDER ANY OF THE LOAN DOCUMENTS, NOR, EXCEPT AS EXPRESSLY APPROVED HEREIN, CONSTITUTE A WAIVER OR AMENDMENT OF ANY PROVISION OF ANY OF THE LOAN DOCUMENTS. THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, TOGETHER WITH THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. [Signature Pages to Follow]





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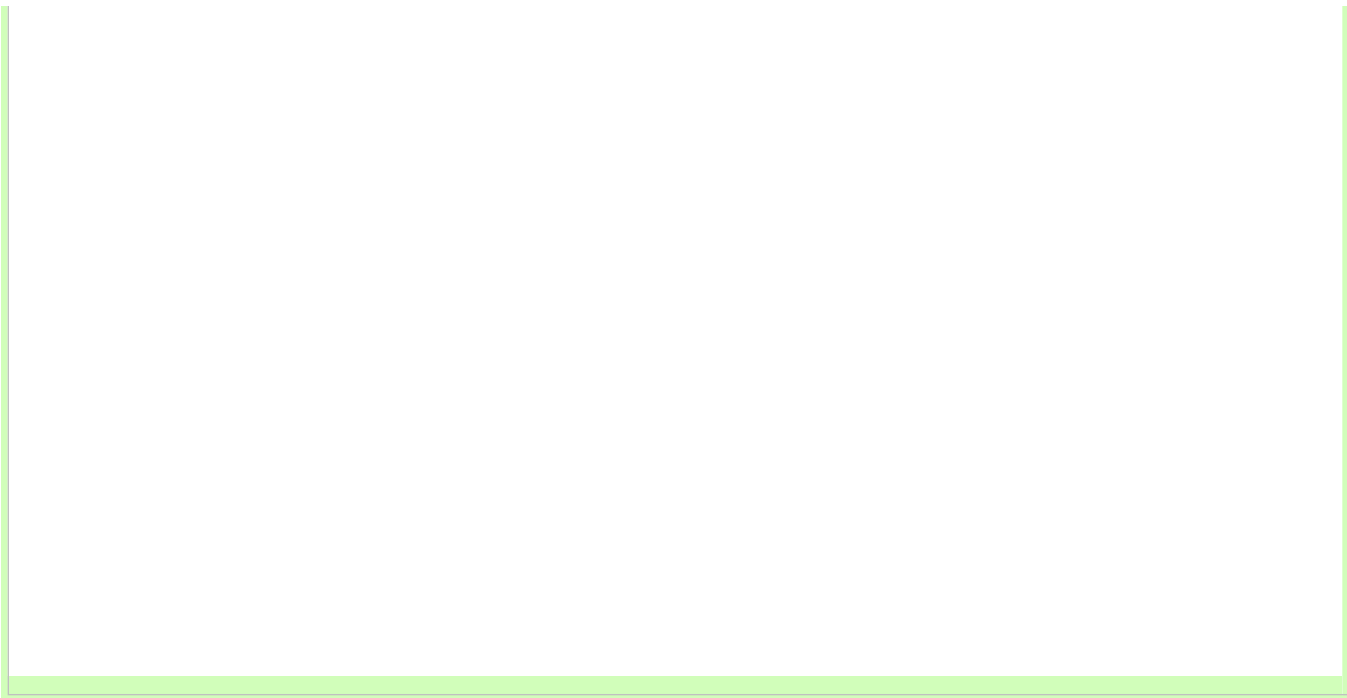
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Commitment Extension and Amendment Agreement - KU WELLS FARGO BANK, NATIONAL ASSOCIATION as a 2027 Extending Lender and a Consenting Lender Name: Patrick Engel Title: Managing Director



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Commitment Extension and Amendment Agreement - KU BANK OF AMERICA, N.A. as a 2027 Extending Lender and a Consenting Lender Name: Dee Dee Farkas Title: Managing Director



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MIZUHO BANK, LTD. as a 2027 Extending Lender and a Consenting Lender Name: Edward Sacks Title: Authorized Signatory Commitment Extension and Amendment Agreement - KU



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Commitment Extension and Amendment Agreement - KU BANK OF MONTREAL as a 2027 Extending Lender and a Consenting Lender Name: Yash Gandhi Title: Vice President



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Commitment Extension and Amendment Agreement - KU Canadian Imperial Bank of Commerce, New York Branch as a 2027 Extending Lender and a Consenting Lender Name: Amit Vasani Title: Managing Director



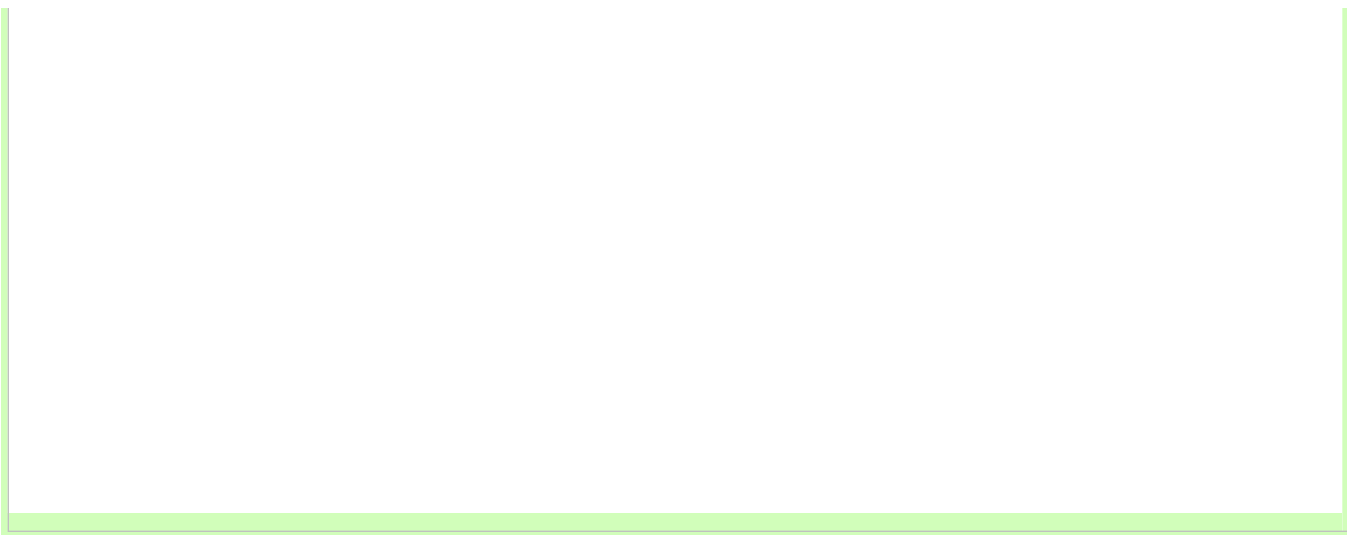




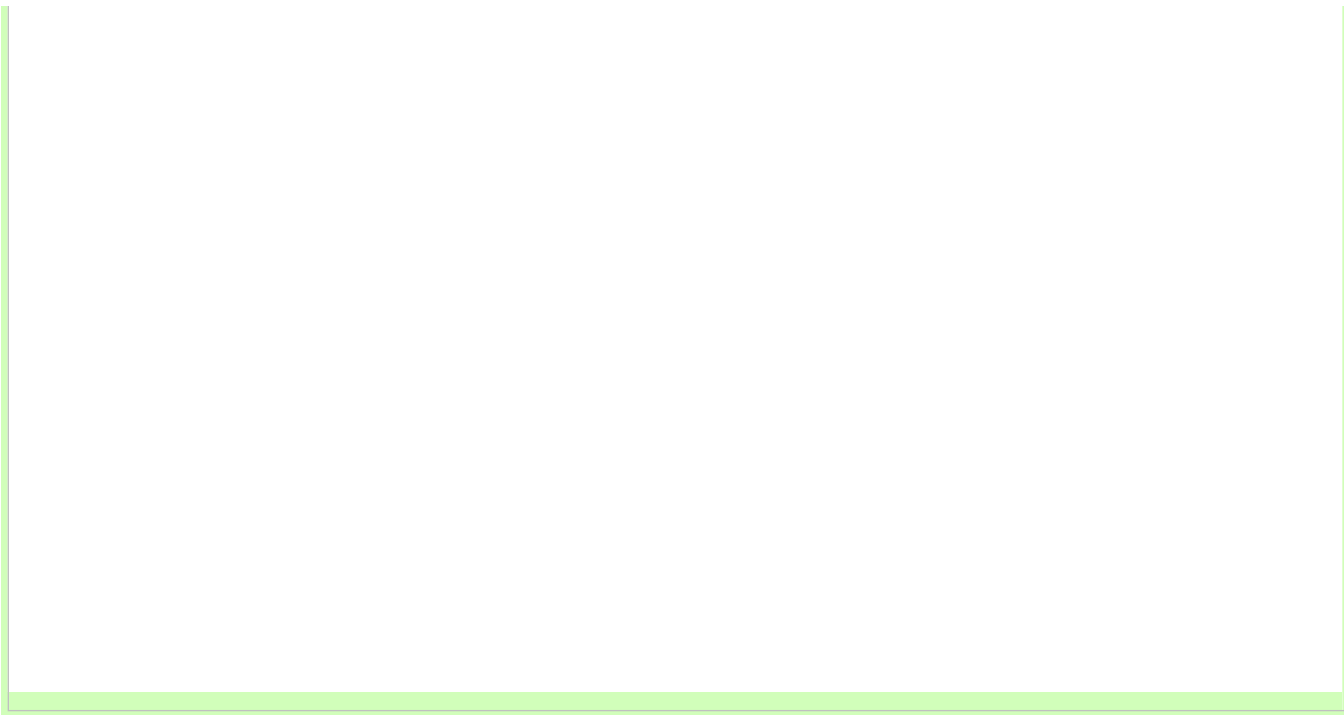
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Commitment Extension and Amendment Agreement - KU ROYAL BANK OF CANADA as a 2027 Extending Lender and a Consenting Lender Name: Men Donnelly Title: Authorized Signatory



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Commitment Extension and Amendment Agreement - KU THE BANK OF NOVA SCOTIA as a 2027 Extending Lender and a Consenting Lender Name: David Dewar Title: Director



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TRUISTBANK as a 2027 Extending Lender and a Consenting Lender Commitment Extension and Amendment Agreement - KU



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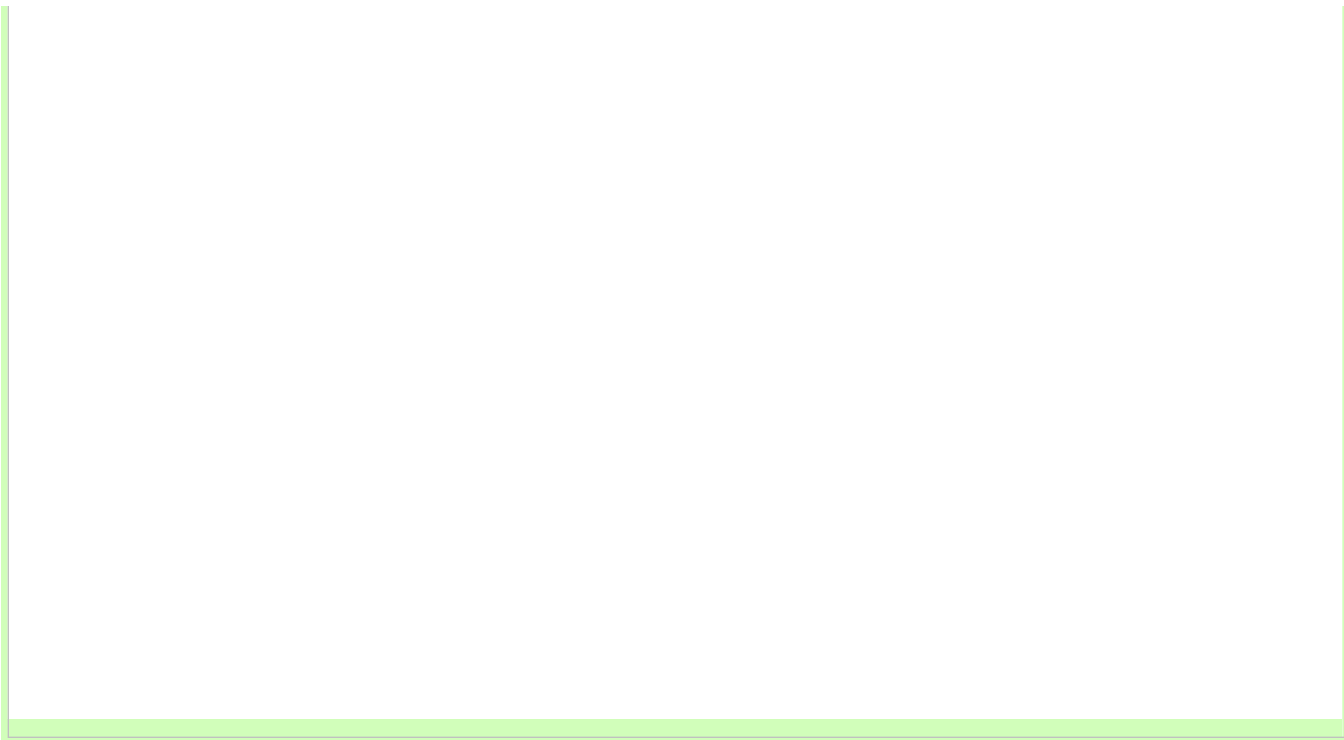


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Commitment Extension and Amendment Agreement - KU THE BANK OF NEW YORK MELLON as a 2027 Extending Lender and a Consenting Lender Name: Molly H. Ross Title: Director



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Commitment Extension and Amendment Agreement - KU Confidential BANCO SANTANDER, S.A., NEW YORK BRANCH, as a Consenting Lender Name: Andres Barbosa Title: Managing Director Name: Arturo Prieto Title: Managing Director



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Commitment Extension and Amendment Agreement - KU Appendix A 2026 REVOLVING COMMITMENTS Lender Commitments Banco Santander, S.A., New York Branch \$11,857,142.86 Total \$11,857,142.86 2027 REVOLVING COMMITMENTS Lender Commitments Wells Fargo Bank, National Association \$25,533,068.49 JPMorgan Chase Bank, N.A. \$25,533,068.49 Bank of America, N.A. \$25,533,068.49 Barclays Bank PLC \$25,533,068.49 Mizuho Bank, Ltd. \$25,533,068.49 Bank of Montreal \$20,119,180.04 Canadian Imperial Bank of Commerce, New York Branch \$20,119,180.04 Goldman Sachs Bank USA \$20,119,180.04 Morgan Stanley Bank, N.A. \$20,119,180.04 MUFG Bank, Ltd. \$20,119,180.04 PNC Bank, National Association \$20,119,180.04 Royal Bank of Canada \$20,119,180.04 The Bank of Nova Scotia \$20,119,180.04 Truist Bank \$20,119,180.04 U.S. Bank National Association \$20,119,180.04 First National Bank of Pennsylvania \$11,857,142.86 Sumitomo Mitsui Banking Corporation \$11,857,142.86 TD Bank, N.A. \$11,857,142.86 The Bank of New York Mellon \$11,857,142.86 The Huntington National Bank \$11,857,142.86 Total \$388,142,857.14

Exhibit 31(a)

CERTIFICATION

I, VINCENT SORGI, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:



- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 1, 2024

/s/ Vincent Sorgi  
 Vincent Sorgi  
 President and Chief Executive Officer  
 (Principal Executive Officer)  
 PPL Corporation

Exhibit 31(b)

#### CERTIFICATION

I, JOSEPH P. BERGSTEIN, JR., certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 1, 2024

/s/ Joseph P. Bergstein, Jr.  
\_\_\_\_\_  
Joseph P. Bergstein, Jr.  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)  
PPL Corporation

Exhibit 31(c)

CERTIFICATION

I, CHRISTINE M. MARTIN, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 1, 2024

/s/ Christine M. Martin  
\_\_\_\_\_  
Christine M. Martin  
President  
(Principal Executive Officer) Executive Officer  
PPL Electric Utilities Corporation

CERTIFICATION

I, MARLENE C. BEERS, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 1, 2024

/s/ Marlene C. Beers

Marlene C. Beers

Vice President and Controller

(Principal Financial Officer)

PPL Electric Utilities Corporation

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 1, 2024

/s/ John R. Crockett III

John R. Crockett III

President

(Principal Executive Officer)

Louisville Gas and Electric Company

Exhibit 31(f)

#### CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control

over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 1, 2024

/s/ Christopher M. Garrett

Christopher M. Garrett

Vice President-Finance and Accounting

(Principal Financial Officer)

Louisville Gas and Electric Company

Exhibit 31(g)

#### CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kentucky Utilities Company (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 1, 2024

/s/ John R. Crockett III  
John R. Crockett III  
President  
(Principal Executive Officer)  
Kentucky Utilities Company

Exhibit 31(h)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kentucky Utilities Company (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 1, 2024

/s/ Christopher M. Garrett  
Christopher M. Garrett  
Vice President-Finance and Accounting  
(Principal Financial Officer)  
Kentucky Utilities Company

Exhibit 32(a)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

FOR PPL CORPORATION'S FORM 10-Q FOR THE QUARTER ENDED ~~SEPTEMBER 30, 2023~~ MARCH 31, 2024

In connection with the quarterly report on Form 10-Q of PPL Corporation (the "Company") for the quarter ended ~~September 30, 2023~~ March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Vincent Sorgi, the Principal Executive Officer of the Company, and Joseph P. Bergstein, Jr., the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: ~~November 2, 2023~~ May 1, 2024

/s/ Vincent Sorgi

Vincent Sorgi  
President and Chief Executive Officer  
(Principal Executive Officer)  
PPL Corporation

/s/ Joseph P. Bergstein, Jr.

Joseph P. Bergstein, Jr.  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)  
PPL Corporation

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
FOR PPL ELECTRIC UTILITIES CORPORATION'S FORM 10-Q FOR THE QUARTER ENDED ~~SEPTEMBER 30, 2023~~ MARCH 31, 2024

In connection with the quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "Company") for the quarter ended ~~September 30, 2023~~ March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Christine M. Martin, the Principal Executive Officer of the Company, and Marlene C. Beers, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: ~~November 2, 2023~~ May 1, 2024

/s/ Christine M. Martin

Christine M. Martin  
President  
(Principal Executive Officer)  
PPL Electric Utilities Corporation

/s/ Marlene C. Beers

Marlene C. Beers  
Vice President and Controller  
(Principal Financial Officer)  
PPL Electric Utilities Corporation

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350  
 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
 FOR LOUISVILLE GAS AND ELECTRIC COMPANY'S FORM 10-Q FOR THE QUARTER ENDED ~~SEPTEMBER 30, 2023~~ MARCH 31, 2024

In connection with the quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "Company") for the quarter ended ~~September 30, 2023~~ March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: ~~November 2, 2023~~ May 1, 2024

/s/ John R. Crockett III

\_\_\_\_\_  
 John R. Crockett III  
 President  
 (Principal Executive Officer)  
 Louisville Gas and Electric Company

/s/ Christopher M. Garrett

\_\_\_\_\_  
 Christopher M. Garrett  
 Vice President-Finance and Accounting  
 (Principal Financial Officer)  
 Louisville Gas and Electric Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350  
 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
 FOR KENTUCKY UTILITIES COMPANY'S FORM 10-Q FOR THE QUARTER ENDED ~~SEPTEMBER 30, 2023~~ MARCH 31, 2024

In connection with the quarterly report on Form 10-Q of Kentucky Utilities Company (the "Company") for the quarter ended ~~September 30, 2023~~ March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.



Date: November 2, 2023 May 1, 2024

/s/ John R. Crockett III

John R. Crockett III

President

(Principal Executive Officer)

Kentucky Utilities Company

/s/ Christopher M. Garrett

Christopher M. Garrett

Vice President-Finance and Accounting

(Principal Financial Officer)

Kentucky Utilities Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

#### DISCLAIMER

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