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 March 31, 2022

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

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

Title of each class	Trading Symbol:	Name of each exchange on which registered
Common Stock of PPL Corporation	PPL	New York Stock Exchange
Junior Subordinated Notes of PPL Capital Funding, Inc. 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	☒	No	☐
PPL Electric Utilities Corporation	Yes	☒	No	☐
Louisville Gas and Electric Company	Yes	☒	No	☐
Kentucky Utilities Company	Yes	☒	No	☐

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	☒	No	☐
PPL Electric Utilities Corporation	Yes	☒	No	☐
Louisville Gas and Electric Company	Yes	☒	No	☐
Kentucky Utilities Company	Yes	☒	No	☐

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 filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
PPL Corporation	☒	☐	☐	☐	☐
PPL Electric Utilities Corporation	☐	☐	☒	☐	☐
Louisville Gas and Electric Company	☐	☐	☒	☐	☐
Kentucky Utilities Company	☐	☐	☒	☐	☐

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	☐
PPL Electric Utilities Corporation	☐
Louisville Gas and Electric Company	☐
Kentucky Utilities Company	☐

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

PPL Corporation	Yes	☐	No	☒
PPL Electric Utilities Corporation	Yes	☐	No	☒
Louisville Gas and Electric Company	Yes	☐	No	☒
Kentucky Utilities Company	Yes	☐	No	☒

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, 735,903,010 shares outstanding at April 29, 2022.
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 April 29, 2022.
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 April 29, 2022.
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 April 29, 2022.

This document is available free of charge at the Investors section of PPL Corporation's website at 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 MARCH 31, 2022

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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.

GLOSSARY OF TERMS AND ABBREVIATIONS

PPL Corporation and its 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.

PPL - PPL Corporation, the parent holding company of PPL Electric, PPL Energy Funding, PPL Capital Funding, LKE 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 and other subsidiaries.

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

PPL Global - PPL Global, LLC, a subsidiary of PPL Energy Funding that, prior to the sale of the U.K. utility business on June 14, 2021, primarily through its subsidiaries, owned and operated WPD, PPL's regulated electricity distribution businesses in the U.K. PPL Global was not included in the sale of the U.K. utility business on June 14, 2021.

PPL Rhode Island Holdings - PPL Rhode Island Holdings, LLC, a subsidiary of PPL Energy Holdings formed for the purpose of acquiring Narragansett Electric to which certain interests of PPL Energy Holdings in the Narragansett SPA 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 - PPL WPD Limited, a U.K. subsidiary of PPL Global. Prior to the sale of the U.K. utility business on June 14, 2021, PPL WPD Limited was an indirect parent to WPD. PPL WPD Limited was not included in the sale of the U.K. utility business on June 14, 2021.

Safari Energy - Safari Energy, LLC, a subsidiary of PPL that provides solar energy solutions for commercial customers in the U.S.

Other terms and abbreviations

£ - British pound sterling.

2021 Form 10-K - Annual Report to the SEC on Form 10-K for the year ended December 31, 2021.

Act 11 - Act 11 of 2012 that became effective in April 2012. The Pennsylvania legislation authorized the PUC 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).

Act 129 Smart Meter program - PPL Electric's system wide meter replacement program that installs wireless digital meters that provide secure communication between PPL Electric and the meter as well as all related infrastructure.

Adjusted Gross Margins - a non-GAAP financial measure of performance used in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A).

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.

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.

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.

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 costs associated with gas transmission lines, gas service lines, gas risers, leak mitigation, and gas main replacements.

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

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

LIBOR - London Interbank Offered Rate.

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

MW - megawatt, one thousand kilowatts.

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

Narragansett Electric - The Narragansett Electric Company, an entity that serves electric and natural gas customers in Rhode Island. In March 2021, PPL and its subsidiary, PPL Energy Holdings announced a pending acquisition of Narragansett Electric.

NERC - North American Electric Reliability Corporation.

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.

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.

PP&E - property, plant and equipment.

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 EU Services - PPL EU Services Corporation, a former subsidiary of PPL that, prior to it being merged into PPL Services on December 31, 2021, provided administrative, management and support services primarily to PPL Electric.

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.

PPL WPD Investments Limited – PPL WPD Investments Limited, which was, prior to the sale of the U.K. utility business on June 14, 2021, a subsidiary of PPL WPD Limited and parent to WPD plc. PPL WPD Investments Limited was included in the sale of the U.K. utility business on June 14, 2021.

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

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.

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.

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.

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.

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 Energy Marketing - 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, 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.

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.

WPD - Prior to the sale of the U.K. utility business on June 14, 2021, refers to PPL WPD Limited Investments and its subsidiaries. WPD was included in the sale of the U.K. utility business on June 14, 2021.

WPD plc - Western Power Distribution plc, prior to the sale of the U.K. utility business, a U.K. indirect subsidiary of PPL WPD Limited. Its principal indirectly owned subsidiaries are WPD (East Midlands), WPD (South Wales), WPD (South West) and WPD (West Midlands). WPD plc was included in the sale of the U.K. utility business on June 14, 2021.

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 2021 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, including the pending acquisition of Narragansett Electric, and our ability to consummate these business transactions or realize expected benefits from them;
- the COVID-19 pandemic and its impact on economic conditions, financial markets and supply chains;
- other 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);
- the outcome of rate cases or other cost recovery or revenue proceedings;
- the direct or indirect effects on PPL or its subsidiaries or business systems of cyber-based intrusion or the threat of cyberattacks;
- significant decreases in demand for electricity;
- expansion of alternative and distributed sources of electricity generation and storage;
- the effectiveness of our risk management programs, including interest rate hedging;
- defaults by counterparties or suppliers for energy, capacity, coal, natural gas or key commodities, goods or services;
- capital market conditions, including the availability of capital, credit or insurance, changes in interest rates and certain economic indices, and decisions regarding capital structure;
- 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 declines;
- interest rates and their effect on pension and retiree medical liabilities, ARO liabilities, interest payable on certain debt securities, and the general economy;
- volatility in or the impact of other changes in financial markets, commodity prices and economic conditions, including inflation;
- 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;
- 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;
- weather and other conditions affecting generation, transmission and distribution operations, operating costs and customer energy use;
- war, armed conflicts, terrorist attacks, or similar disruptive events, including the war in Ukraine;
- changes in political, regulatory or economic conditions in states, regions or countries where the Registrants or their subsidiaries conduct business;
- receipt of necessary governmental permits and approvals;
- changes in state or federal tax law 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 any business or industry restructuring;
- development of new projects, markets and technologies;
- performance of new ventures;
- collective labor bargaining negotiations; and
- the outcome of litigation involving the Registrants and their subsidiaries.

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.

PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
PPL Corporation and Subsidiaries
(Unaudited)
(Millions of Dollars, except share data)

	Three Months Ended March 31,	
	2022	**2021**
Operating Revenues	**$ 1,782**	$ 1,498
Operating Expenses		
Operation		
Fuel	**212**	177
Energy purchases	**352**	220
Other operation and maintenance	**433**	367
Depreciation	**271**	267
Taxes, other than income	**60**	52
Total Operating Expenses	**1,328**	1,083
Operating Income	**454**	415
Other Income (Expense) - net (Note 12)	**—**	—
Interest Expense	**107**	153
Income from Continuing Operations Before Income Taxes	**347**	262
Income Taxes	**74**	59
Income from Continuing Operations After Income Taxes	**273**	203
Loss from Discontinued Operations (net of income taxes) (Note 8)	**—**	(2,043)
Net Income (Loss)	**$ 273**	$ (1,840)
Earnings Per Share of Common Stock:		
Basic and Diluted		
Income from Continuing Operations After Income Taxes	**$ 0.37**	$ 0.26
Loss from Discontinued Operations (net of income taxes)	**—**	(2.65)
Net Income (Loss) Available to PPL Common Shareowners	**$ 0.37**	$ (2.39)
Weighted-Average Shares of Common Stock Outstanding (in thousands)		
Basic	**735,503**	769,159
Diluted	**736,184**	770,710

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
PPL Corporation and Subsidiaries
(Unaudited)
(Millions of Dollars)

	Three Months Ended March 31,	
	2022	**2021**
Net income (loss)	**$ 273**	$ (1,840)
Other comprehensive income (loss):		
Amounts arising during the period - gains (losses), net of tax (expense) benefit:		
Foreign currency translation adjustments, net of tax of $0, ($80)	**—**	303
Qualifying derivatives, net of tax of $0, $16	**—**	(30)
Equity investees' other comprehensive income (loss), net of tax of $0, $0	**1**	—
Defined benefit plans:		
Prior service costs, net of tax of $0, $0	**(1)**	—
Reclassifications from AOCI - (gains) losses, net of tax expense (benefit):		
Qualifying derivatives, net of tax of $0, ($14)	**1**	25
Defined benefit plans:		
Prior service costs, net of tax of $0, $0	**1**	—
Net actuarial (gain) loss, net of tax of ($1), ($22)	**3**	40
Total other comprehensive income (loss)	**5**	338
Comprehensive income (loss)	**$ 278**	$ (1,502)

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)

	Three Months Ended March 31, 2022	2021
Cash Flows from Operating Activities		
Net income (loss)	$ 273	$ (1,840)
Loss from discontinued operations (net of income taxes)	—	2,043
Income from continuing operations (net of income taxes)	273	203
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	271	267
Amortization	7	11
Deferred income taxes and investment tax credits	39	50
Stock-based compensation expense	11	6
Other	(4)	(1)
Change in current assets and current liabilities		
Accounts receivable	(38)	(60)
Accounts payable	4	(42)
Unbilled revenues	28	76
Fuel, materials and supplies	42	41
Prepayments	(75)	(76)
Taxes payable	(4)	(25)
Regulatory assets and liabilities, net	(41)	29
Accrued interest	57	69
Other	(53)	(76)
Other operating activities		
Defined benefit plans - funding	(3)	(33)
Other assets	(18)	(74)
Other liabilities	6	31
Net cash provided by operating activities - continuing operations	502	396
Net cash provided by operating activities - discontinued operations	—	267
Net cash provided by operating activities	502	663
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(427)	(471)
Other investing activities	—	(1)
Net cash provided by (used in) investing activities - continuing operations	(427)	(472)
Net cash provided by (used in) investing activities - discontinued operations	—	(263)
Net cash provided by (used in) investing activities	(427)	(735)
Cash Flows from Financing Activities		
Payment of common stock dividends	(306)	(320)
Retirement of term loan	—	(300)
Retirement of commercial paper	—	(73)
Net increase (decrease) in short-term debt	916	752
Other financing activities	(7)	(4)
Net cash provided by (used in) financing activities - continuing operations	603	55
Net cash provided by (used in) financing activities - discontinued operations	—	(126)
Net cash provided by (used in) financing activities	603	(71)
Effect of Exchange Rates on Cash, Cash Equivalents and Restricted Cash included in Discontinued Operations	—	8
Net (Increase) Decrease in Cash, Cash Equivalents and Restricted Cash included in Discontinued Operations	—	114
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	678	(21)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	3,572	443
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 4,250	$ 422
Supplemental Disclosures of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at March 31,	$ 236	$ 229

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

CONDENSED CONSOLIDATED BALANCE SHEETS
PPL Corporation and Subsidiaries

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

	March 31, 2022	December 31, 2021
Assets		
Current Assets		
Cash and cash equivalents	**$ 4,249**	$ 3,571
Accounts receivable (less reserve: 2022, $66; 2021, $65)		
Customer	**625**	583
Other	**44**	58
Unbilled revenues (less reserve: 2022, $2; 2021, $2)	**279**	307
Fuel, materials and supplies	**280**	322
Prepayments	**135**	60
Other current assets	**101**	106
Total Current Assets	**5,713**	**5,007**
Property, Plant and Equipment		
Regulated utility plant	**30,679**	30,477
Less: accumulated depreciation - regulated utility plant	**6,599**	6,488
Regulated utility plant, net	**24,080**	23,989
Non-regulated property, plant and equipment	**278**	266
Less: accumulated depreciation - non-regulated property, plant and equipment	**41**	41
Non-regulated property, plant and equipment, net	**237**	225
Construction work in progress	**1,328**	1,256
Property, Plant and Equipment, net	**25,645**	25,470
Other Noncurrent Assets		
Regulatory assets	**1,219**	1,236
Goodwill	**716**	716
Other intangibles	**340**	343
Other noncurrent assets (less reserve for accounts receivable: 2022, $2; 2021 $2)	**474**	451
Total Other Noncurrent Assets	**2,749**	2,746
Total Assets	**$ 34,107**	$ 33,223

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

CONDENSED CONSOLIDATED BALANCE SHEETS
PPL Corporation and Subsidiaries

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

	March 31, 2022	December 31, 2021
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 985**	$ 69
Long-term debt due within one year	**474**	474
Accounts payable	**686**	679
Taxes	**92**	96
Interest	**138**	81
Dividends	**147**	305
Regulatory liabilities	**122**	182
Other current liabilities	**389**	437
Total Current Liabilities	**3,033**	2,323
Long-term Debt	**10,668**	10,666
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**3,211**	3,151
Investment tax credits	**124**	119
Accrued pension obligations	**183**	183
Asset retirement obligations	**151**	157
Regulatory liabilities	**2,417**	2,422
Other deferred credits and noncurrent liabilities	**455**	479
Total Deferred Credits and Other Noncurrent Liabilities	**6,541**	6,511
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - $0.01 par value (a)	**8**	8
Additional paid-in capital	**12,299**	12,303
Treasury stock	**(987)**	(1,003)
Earnings reinvested	**2,697**	2,572
Accumulated other comprehensive loss	**(152)**	(157)
Total Equity	**13,865**	13,723
Total Liabilities and Equity	**$ 34,107**	$ 33,223

(a) 1,560,000 shares authorized, 770,013 shares issued and 735,765 shares outstanding at March 31, 2022. 1,560,000 shares authorized, 769,890 shares issued and 735,112 shares outstanding at December 31, 2021.

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

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
PPL Corporation and Subsidiaries

(Unaudited)
(Millions of Dollars)

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Treasury stock	Earnings reinvested	Accumulated other comprehensive loss	Total
December 31, 2021	735,112	$ 8	12,303	$ (1,003)	$ 2,572	$ (157)	$ 13,723
Common stock issued	123		4				4
Treasury stock issued	530			16			16
Stock-based compensation			(8)				(8)
Net income (loss)					273		273
Dividends and dividend equivalents (b)					(148)		(148)
Other comprehensive income (loss)						5	5
March 31, 2022	735,765	$ 8	$ 12,299	$ (987)	$ 2,697	$ (152)	$ 13,865
December 31, 2020	768,907	$ 8	12,270	$ —	$ 5,315	$ (4,220)	$ 13,373
Common stock issued	520		16				16
Stock-based compensation			(13)				(13)
Net income (loss)					(1,840)		(1,840)
Dividends and dividend equivalents (b)					(320)		(320)
Other comprehensive income (loss)						338	338
March 31, 2021	769,427	$ 8	$ 12,273	$ —	$ 3,155	$ (3,882)	$ 11,554

(a) Shares in thousands. Each share entitles the holder to one vote on any question presented at any shareowners' meeting.
(b) Dividends declared per share of common stock were $0.200 and $0.415 for the three months ended March 31, 2022 and March 31, 2021.

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 March 31,	
	2022	**2021**
Operating Revenues	**$ 775**	$ 605
Operating Expenses		
Operation		
Energy purchases	**256**	149
Other operation and maintenance	**160**	128
Depreciation	**98**	108
Taxes, other than income	**37**	32
Total Operating Expenses	**551**	417
Operating Income	**224**	188
Other Income (Expense) - net (Note 12)	**6**	5
Interest Income from Affiliate	**2**	—
Interest Expense	**39**	43
Income Before Income Taxes	**193**	150
Income Taxes	**50**	37
Net Income (a)	**$ 143**	$ 113

(a) Net income equals comprehensive income.

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
PPL Electric Utilities Corporation and Subsidiaries

(Unaudited)
(Millions of Dollars)

	Three Months Ended March 31,	
	2022	2021
Cash Flows from Operating Activities		
Net income	$ 143	$ 113
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	98	108
Amortization	3	6
Defined benefit plans - expense (income)	(6)	(3)
Deferred income taxes and investment tax credits	41	13
Other	(4)	(4)
Change in current assets and current liabilities		
Accounts receivable	(52)	(37)
Accounts payable	20	(9)
Unbilled revenues	14	37
Prepayments	(72)	(78)
Regulatory assets and liabilities, net	(43)	39
Taxes payable	(15)	(7)
Other	2	(7)
Other operating activities		
Defined benefit plans - funding	—	(21)
Other assets	(2)	(27)
Other liabilities	(5)	(2)
Net cash provided by operating activities	122	121
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(188)	(223)
Notes receivable from affiliates	203	—
Other investing activities	—	1
Net cash provided by (used in) investing activities	15	(222)
Cash Flows from Financing Activities		
Return of capital to parent	(40)	—
Payment of common stock dividends to parent	(72)	(115)
Net increase in short-term debt	—	205
Net cash provided by (used in) financing activities	(112)	90
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	25	(11)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	21	40
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 46	$ 29
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at March 31,	$ 153	$ 143

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

CONDENSED CONSOLIDATED BALANCE SHEETS
PPL Electric Utilities Corporation and Subsidiaries
(Unaudited)
(Millions of Dollars, shares in thousands)

	March 31, 2022	December 31, 2021
Assets		
Current Assets		
Cash and cash equivalents	**$ 46**	$ 21
Accounts receivable (less reserve: 2022, $33; 2021, $31)		
Customer	**333**	305
Other	**27**	22
Accounts receivable from affiliates	**9**	11
Notes receivable from affiliate	**296**	499
Unbilled revenues (less reserve: 2022, $1; 2021, $2)	**115**	129
Materials and supplies	**64**	61
Prepayments	**85**	13
Regulatory assets	**13**	22
Other current assets	**28**	21
Total Current Assets	**1,016**	1,104
Property, Plant and Equipment		
Regulated utility plant	**14,177**	14,082
Less: accumulated depreciation - regulated utility plant	**3,396**	3,386
Regulated utility plant, net	**10,781**	10,696
Construction work in progress	**641**	581
Property, Plant and Equipment, net	**11,422**	11,277
Other Noncurrent Assets		
Regulatory assets	**475**	488
Intangibles	**270**	270
Pension benefit asset	**67**	50
Other noncurrent assets (less reserve for accounts receivable: 2022, $2; 2021, $2)	**124**	113
Total Other Noncurrent Assets	**936**	921
Total Assets	**$ 13,374**	$ 13,302

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

CONDENSED CONSOLIDATED BALANCE SHEETS
PPL Electric Utilities Corporation and Subsidiaries

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

	March 31, 2022	December 31, 2021
Liabilities and Equity		
Current Liabilities		
Long-term debt due within one year	**$ 474**	$ 474
Accounts payable	**411**	367
Accounts payable to affiliates	**82**	56
Taxes	**16**	31
Interest	**45**	35
Regulatory liabilities	**101**	153
Other current liabilities	**108**	108
Total Current Liabilities	**1,237**	1,224
Long-term Debt	**4,011**	4,010
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**1,716**	1,668
Regulatory liabilities	**555**	559
Other deferred credits and noncurrent liabilities	**88**	105
Total Deferred Credits and Other Noncurrent Liabilities	**2,359**	2,332
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - no par value (a)	**364**	364
Additional paid-in capital	**4,214**	4,254
Earnings reinvested	**1,189**	1,118
Total Equity	**5,767**	5,736
Total Liabilities and Equity	**$ 13,374**	$ 13,302

(a) 170,000 shares authorized; 66,368 shares issued and outstanding at March 31, 2022 and December 31, 2021.

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

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
PPL Electric Utilities Corporation and Subsidiaries
(Unaudited)
(Millions of Dollars)

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
December 31, 2021	66,368	$ 364	$ 4,254	$ 1,118	$ 5,736
Net income				143	143
Return of capital to parent			(40)		(40)
Dividends declared on common stock				(72)	(72)
March 31, 2022	66,368	$ 364	$ 4,214	$ 1,189	$ 5,767
December 31, 2020	66,368	$ 364	$ 3,753	$ 1,007	$ 5,124
Net income				113	113
Dividends declared on common stock				(115)	(115)
March 31, 2021	66,368	$ 364	$ 3,753	$ 1,005	$ 5,122

(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 March 31,	
	2022	**2021**
Operating Revenues		
Retail and wholesale	**$ 481**	$ 421
Electric revenue from affiliate	**12**	7
Total Operating Revenues	**493**	428
Operating Expenses		
Operation		
Fuel	**81**	67
Energy purchases	**91**	66
Energy purchases from affiliate	**2**	5
Other operation and maintenance	**100**	96
Depreciation	**74**	66
Taxes, other than income	**12**	11
Total Operating Expenses	**360**	311
Operating Income	**133**	117
Other Income (Expense) - net	**(1)**	(2)
Interest Expense	**20**	21
Income Before Income Taxes	**112**	94
Income Taxes	**19**	19
Net Income (a)	**$ 93**	$ 75

(a) Net income equals comprehensive income.

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

CONDENSED STATEMENTS OF CASH FLOWS
Louisville Gas and Electric Company
(Unaudited)
(Millions of Dollars)

	Three Months Ended March 31,	
	2022	2021
Cash Flows from Operating Activities		
Net income	**$ 93**	$ 75
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**74**	66
Amortization	**(1)**	2
Defined benefit plans - expense	**—**	1
Deferred income taxes and investment tax credits	**(4)**	(1)
Other	**1**	—
Change in current assets and current liabilities		
Accounts receivable	**4**	(1)
Accounts receivable from affiliates	**2**	(3)
Accounts payable	**(1)**	8
Accounts payable to affiliates	**(10)**	(5)
Unbilled revenues	**10**	19
Fuel, materials and supplies	**42**	28
Regulatory assets and liabilities, net	**5**	(10)
Taxes payable	**—**	4
Accrued interest	**17**	18
Other	**(6)**	(17)
Other operating activities		
Defined benefit plans - funding	**—**	(1)
Expenditures for asset retirement obligations	**(6)**	(6)
Other assets	**(1)**	—
Other liabilities	**(1)**	4
Net cash provided by operating activities	**218**	181
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(99)**	(111)
Net increase in notes receivable with affiliates	**(4)**	—
Net cash used in investing activities	**(103)**	(111)
Cash Flows from Financing Activities		
Net decrease in notes payable to affiliates	**(324)**	—
Net increase in short-term debt	**284**	31
Retirement of commercial paper	**—**	(41)
Payment of common stock dividends to parent	**(75)**	(60)
Net cash used in financing activities	**(115)**	(70)
Net Increase (Decrease) in Cash and Cash Equivalents	**—**	—
Cash and Cash Equivalents at Beginning of Period	**9**	7
Cash and Cash Equivalents at End of Period	**$ 9**	$ 7
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at March 31,	**$ 30**	$ 46

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)

	March 31, 2022	December 31, 2021
Assets		
Current Assets		
Cash and cash equivalents	**$ 9**	$ 9
Accounts receivable (less reserve: 2022, $3; 2021, $3)		
Customer	**133**	130
Other	**12**	25
Unbilled revenues (less reserve: 2022, $0; 2021, $0)	**70**	80
Accounts receivable from affiliates	**29**	31
Notes receivable from affiliates	**4**	—
Fuel, materials and supplies	**95**	137
Prepayments	**14**	14
Regulatory assets	**31**	33
Other current assets	**—**	2
Total Current Assets	**397**	461
Property, Plant and Equipment		
Regulated utility plant	**7,245**	7,192
Less: accumulated depreciation - regulated utility plant	**1,208**	1,172
Regulated utility plant, net	**6,037**	6,020
Construction work in progress	**226**	242
Property, Plant and Equipment, net	**6,263**	6,262
Other Noncurrent Assets		
Regulatory assets	**329**	337
Goodwill	**389**	389
Other intangibles	**28**	30
Other noncurrent assets	**118**	113
Total Other Noncurrent Assets	**864**	869
Total Assets	**$ 7,524**	$ 7,592

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)

	March 31, 2022	December 31, 2021
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 353**	$ 69
Notes payable to affiliates	**—**	324
Accounts payable	**127**	163
Accounts payable to affiliates	**21**	31
Customer deposits	**32**	32
Taxes	**34**	34
Price risk management liabilities	**1**	1
Regulatory liabilities	**14**	21
Interest	**32**	15
Asset retirement obligations	**10**	10
Other current liabilities	**30**	37
Total Current Liabilities	**654**	737
Long-term Debt	**2,006**	2,006
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**756**	751
Investment tax credits	**32**	32
Price risk management liabilities	**13**	17
Asset retirement obligations	**69**	74
Regulatory liabilities	**820**	818
Other deferred credits and noncurrent liabilities	**77**	78
Total Deferred Credits and Other Noncurrent Liabilities	**1,767**	1,770
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**424**	424
Additional paid-in capital	**1,997**	1,997
Earnings reinvested	**676**	658
Total Equity	**3,097**	3,079
Total Liabilities and Equity	**$ 7,524**	$ 7,592

(a) 75,000 shares authorized; 21,294 shares issued and outstanding at March 31, 2022 and December 31, 2021.

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

CONDENSED STATEMENTS OF EQUITY
Louisville Gas and Electric Company
(Unaudited)
(Millions of Dollars)

	Common stock shares outstanding (a)		Common stock		Additional paid-in capital		Earnings reinvested		Total
December 31, 2021	21,294	$	424	$	1,997	$	658	$	3,079
Net income							93		93
Cash dividends declared on common stock							(75)		(75)
March 31, 2022	21,294	$	424	$	1,997	$	676	$	3,097
December 31, 2020	21,294	$	424	$	1,923	$	601	$	2,948
Net income							75		75
Cash dividends declared on common stock							(60)		(60)
March 31, 2021	21,294	$	424	$	1,923	$	616	$	2,963

(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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CONDENSED STATEMENTS OF INCOME
Kentucky Utilities Company
(Unaudited)
(Millions of Dollars)

	Three Months Ended March 31,	
	2022	**2021**
Operating Revenues		
Retail and wholesale	**$ 523**	$ 464
Electric revenue from affiliate	**2**	5
Total Operating Revenues	**525**	469
Operating Expenses		
Operation		
Fuel	**131**	110
Energy purchases	**5**	5
Energy purchases from affiliate	**12**	7
Other operation and maintenance	**113**	115
Depreciation	**95**	89
Taxes, other than income	**11**	10
Total Operating Expenses	**367**	336
Operating Income	**158**	133
Other Income (Expense) - net	**—**	1
Interest Expense	**27**	27
Income Before Income Taxes	**131**	107
Income Taxes	**24**	21
Net Income (a)	**$ 107**	$ 86

(a) Net income equals comprehensive income.

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

CONDENSED STATEMENTS OF CASH FLOWS
Kentucky Utilities Company
(Unaudited)
(Millions of Dollars)

	Three Months Ended March 31,	
	2022	**2021**
Cash Flows from Operating Activities		
Net income	**$ 107**	$ 86
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**95**	89
Amortization	**4**	2
Defined benefit plans - expense	**(1)**	—
Deferred income taxes and investment tax credits	**(3)**	(2)
Other	**2**	—
Change in current assets and current liabilities		
Accounts receivable	**(6)**	2
Accounts receivable from affiliates	—	1
Accounts payable	—	(7)
Accounts payable to affiliates	**(12)**	2
Unbilled revenues	**4**	20
Fuel, materials and supplies	**3**	15
Regulatory assets and liabilities, net	**(3)**	—
Taxes payable	**20**	13
Accrued interest	**26**	25
Other	**(5)**	(17)
Other operating activities		
Expenditures for asset retirement obligations	**(6)**	(9)
Other assets	**(6)**	—
Other liabilities	—	4
Net cash provided by operating activities	**219**	224
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(129)**	(127)
Net cash used in investing activities	**(129)**	(127)
Cash Flows from Financing Activities		
Net decrease in notes payable to affiliates	**(290)**	—
Net increase (decrease) in short-term debt	**285**	(23)
Retirement of commercial paper	—	(32)
Payment of common stock dividends to parent	**(90)**	(56)
Net cash used in financing activities	**(95)**	(111)
Net Decrease in Cash and Cash Equivalents	**(5)**	(14)
Cash and Cash Equivalents at Beginning of Period	**13**	22
Cash and Cash Equivalents at End of Period	**$ 8**	$ 8
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at March 31,	**$ 49**	$ 40

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

CONDENSED BALANCE SHEETS
Kentucky Utilities Company

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

	March 31, 2022	December 31, 2021
Assets		
Current Assets		
Cash and cash equivalents	$ 8	$ 13
Accounts receivable (less reserve: 2022, $2; 2021, $3)		
Customer	154	144
Other	6	12
Unbilled revenues (less reserve: 2022, $0; 2021, $0)	87	91
Fuel, materials and supplies	121	124
Prepayments	15	15
Regulatory assets	14	9
Other current assets	—	2
Total Current Assets	405	410
Property, Plant and Equipment		
Regulated utility plant	9,272	9,219
Less: accumulated depreciation - regulated utility plant	1,995	1,929
Regulated utility plant, net	7,277	7,290
Construction work in progress	409	378
Property, Plant and Equipment, net	7,686	7,668
Other Noncurrent Assets		
Regulatory assets	415	411
Goodwill	607	607
Other intangibles	22	23
Other noncurrent assets	158	153
Total Other Noncurrent Assets	1,202	1,194
Total Assets	$ 9,293	$ 9,272

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

CONDENSED BALANCE SHEETS
Kentucky Utilities Company

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

	March 31, 2022	December 31, 2021
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 285**	$ —
Notes payable to affiliates	**4**	294
Accounts payable	**91**	108
Accounts payable to affiliates	**52**	64
Customer deposits	**33**	32
Taxes	**39**	19
Regulatory liabilities	**7**	8
Interest	**44**	18
Asset retirement obligations	**20**	22
Other current liabilities	**42**	47
Total Current Liabilities	**617**	612
Long-term Debt	**2,619**	2,618
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**870**	865
Investment tax credits	**86**	87
Asset retirement obligations	**82**	83
Regulatory liabilities	**1,042**	1,045
Other deferred credits and noncurrent liabilities	**32**	34
Total Deferred Credits and Other Noncurrent Liabilities	**2,112**	2,114
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**308**	308
Additional paid-in capital	**2,957**	2,957
Earnings reinvested	**680**	663
Total Equity	**3,945**	3,928
Total Liabilities and Equity	**$ 9,293**	$ 9,272

(a) 80,000 shares authorized; 37,818 shares issued and outstanding at March 31, 2022 and December 31, 2021.

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

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
December 31, 2021	37,818	$ 308	$ 2,957	$ 663	$ 3,928
Net income				107	107
Cash dividends declared on common stock				(90)	(90)
March 31, 2022	37,818	$ 308	$ 2,957	$ 680	$ 3,945
December 31, 2020	37,818	$ 308	$ 2,857	$ 617	$ 3,782
Net income				86	86
Cash dividends declared on common stock				(56)	(56)
March 31, 2021	37,818	$ 308	$ 2,857	$ 647	$ 3,812

(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.

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			
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			

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, 2021 is derived from that Registrant's 2021 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 2021 Form 10-K. The results of operations for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the full year ending December 31, 2022 or other future periods, because results for interim periods can be disproportionately influenced by various factors, developments and seasonal variations.

(PPL)

On March 17, 2021, PPL WPD Limited entered into a share purchase agreement to sell PPL's U.K. utility business, which prior to its sale substantially represented PPL's U.K. Regulated segment, to a subsidiary of National Grid plc. The sale was completed on June 14, 2021. The results of operations of the U.K. utility business are classified as Discontinued Operations on PPL's Statements of Income for the three months ended March 31, 2021. PPL has elected to separately report the cash flows of continuing and discontinued operations on the Statements of Cash Flows for the three months ended March 31, 2021. Unless otherwise noted, the notes to these financial statements exclude amounts related to discontinued operations. See Note 8 for additional information.

2. Segment and Related Information

(PPL)

See Note 2 in PPL's 2021 Form 10-K for a discussion of reportable segments and related information.

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

	Three Months			
	2022		2021	
Operating Revenues from external customers				
Kentucky Regulated	$	1,004	$	885
Pennsylvania Regulated		775		605
Corporate and Other		3		8
Total	$	1,782	$	1,498
Net Income (Loss)				
Kentucky Regulated	$	179	$	146
Pennsylvania Regulated		143		113
Corporate and Other		(49)		(56)
Discontinued Operations (a)		—		(2,043)
Total	$	273	$	(1,840)

(a) See Note 8 for additional information on the sale of the U.K. utility business.

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

	March 31, 2022		December 31, 2021	
Assets				
Kentucky Regulated	$	16,317	$	16,360
Pennsylvania Regulated		13,374		13,336
Corporate and Other (a)		4,416		3,527
Total	$	34,107	$	33,223

(a) Primarily consists of unallocated items, including cash, PP&E, goodwill, the elimination of inter-segment transactions as well as the assets of Safari Energy.

(PPL Electric, LG&E and KU)

PPL Electric has two operating segments, distribution and transmission, which are aggregated into a single reportable segment. LG&E and KU are individually single operating and reportable segments.

3. Revenue from Contracts with Customers

(All Registrants)

See Note 3 in the Registrants' 2021 Form 10-K for a discussion of the principal activities from which the Registrants and PPL's 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 March 31.

	2022 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 1,782	$ 775	$ 493	$ 525
Revenues derived from:				
Alternative revenue programs (b)	(27)	(36)	6	3
Other (c)	(7)	(4)	(2)	(1)
Revenues from Contracts with Customers	$ 1,748	$ 735	$ 497	$ 527

	2021 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 1,498	$ 605	$ 428	$ 469
Revenues derived from:				
Alternative revenue programs (b)	24	22	—	2
Other (c)	(6)	—	(3)	(3)
Revenues from Contracts with Customers	$ 1,516	$ 627	$ 425	$ 468

(a) 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) Alternative revenue programs include the transmission formula rate for PPL Electric, the ECR and DSM programs for LG&E and KU, the GLT program and gas supply clause incentive mechanism for LG&E, and the generation formula rate for KU. This line item shows the over/under collection of these rate mechanisms with over-collections of revenue shown as positive amounts in the table above and under-collections shown as negative amounts. For PPL Electric, the three months ended March 31, 2022, includes $44 million related to the amortization of the regulatory liability recorded in 2021 for a reduction in the transmission formula rate return on equity that is reflected in rates in 2022. The three months ended March 31, 2021, included a $27 million revenue reduction recorded as a result of the challenge to the transmission formula rate return on equity. See Note 6 for additional information.

(c) Represents additional revenues outside the scope of revenues from contracts with customers, such as lease and other miscellaneous revenues.

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

	2022 Three Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
PA Regulated	$ 453	$ 108	$ 15	$ 12	$ —	$ —	$ 147	$ 735
KY Regulated	478	270	154	83	6	19	—	1,010
Corp and Other	—	—	—	3	—	—	—	3
Total PPL	$ 931	$ 378	$ 169	$ 98	$ 6	$ 19	$ 147	$ 1,748
PPL Electric	$ 453	$ 108	$ 15	$ 12	$ —	$ —	$ 147	$ 735
LG&E	$ 246	$ 146	$ 45	$ 39	$ —	$ 21	$ —	$ 497
KU	$ 232	$ 124	$ 109	$ 44	$ 6	$ 12	$ —	$ 527

	2021 Three Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
PA Regulated	$ 361	$ 82	$ 12	$ 12	$ —	$ —	$ 160	$ 627
KY Regulated	413	231	140	71	6	20	—	881
Corp and Other	—	—	—	8	—	—	—	8
Total PPL	$ 774	$ 313	$ 152	$ 91	$ 6	$ 20	$ 160	$ 1,516
PPL Electric	$ 361	$ 82	$ 12	$ 12	$ —	$ —	$ 160	$ 627
LG&E	$ 205	$ 121	$ 46	$ 34	$ —	$ 19	$ —	$ 425
KU	$ 208	$ 110	$ 94	$ 37	$ 6	$ 13	$ —	$ 468

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core businesses.
(b) Includes wholesale power and transmission revenues. LG&E and KU amounts include intercompany power sales and transmission revenues, which are eliminated upon consolidation at the Kentucky Regulated segment.

As discussed in Note 2 in PPL's 2021 Form 10-K, 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.

Contract receivables from customers are primarily included in "Accounts receivable - Customer", "Unbilled revenues", and "Other noncurrent assets" on the Balance Sheets.

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

	Three Months	
	2022	2021
PPL	$ 7	$ 2
PPL Electric	5	1
LG&E	1	—
KU	1	1

The following table shows the balances and certain activity of contract liabilities resulting from contracts with customers.

	PPL	PPL Electric	LG&E	KU
Contract liabilities at December 31, 2021	$ 42	$ 25	$ 6	$ 6
Contract liabilities at March 31, 2022	33	17	4	5
Revenue recognized during the three months ended March 31, 2022 that was included in the contract liability balance at December 31, 2021	22	10	6	6
Contract liabilities at December 31, 2020	$ 40	$ 23	$ 5	$ 6
Contract liabilities at March 31, 2021	33	16	5	5
Revenue recognized during the three months ended March 31, 2021 that was included in the contract liability balance at December 31, 2020	21	9	5	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.

At March 31, 2022, PPL had $46 million of performance obligations attributable to Corporate and Other that have not been satisfied. Of this amount, PPL expects to recognize approximately $30 million within the next 12 months.

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 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.

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

	Three Months	
	2022	2021
Income (Numerator)		
Income from continuing operations after income taxes available to PPL common shareowners - Basic and Diluted	$ 273	$ 203
Loss from discontinued operations (net of income taxes) available to PPL common shareowners - Basic and Diluted	$ —	$ (2,043)
Net income (loss) available to PPL common shareowners - Basic and Diluted	$ 273	$ (1,840)
Shares of Common Stock (Denominator)		
Weighted-average shares - Basic EPS	735,503	769,159
Add: Dilutive share-based payment awards	681	1,551
Weighted-average shares - Diluted EPS	736,184	770,710
Basic and Diluted EPS		
Available to PPL common shareowners:		
Income from continuing operations after income taxes	$ 0.37	$ 0.26
Loss from discontinued operations (net of income taxes)	—	(2.65)
Net Income (Loss) available to PPL common shareowners	$ 0.37	$ (2.39)

For the periods ended March 31, PPL issued common stock related to stock-based compensation plans as follows (in thousands):

	Three Months	
	2022	2021
Stock-based compensation plans	124	520

See Note 7 for common stock repurchased under an authorized share repurchase program.

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

	Three Months	
	2022	2021
Stock-based compensation awards	154	233

5. Income Taxes

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

(PPL)

	Three Months	
	2022	2021
Federal income tax on Income from Continuing Operations Before Income Taxes at statutory tax rate - 21%	$ 73	$ 55
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	21	12
Valuation allowance adjustments	3	8
Amortization of investment tax credit including deferred taxes on basis adjustment	(3)	(1)
Depreciation and other items not normalized	(3)	(2)
Amortization of excess deferred federal and state income taxes	(18)	(12)
Other	1	(1)
Total increase (decrease)	1	4
Total income tax expense (benefit)	$ 74	$ 59

(PPL Electric)

	Three Months	
	2022	2021
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 41	$ 32
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	16	12
Depreciation and other items not normalized	(3)	(2)
Amortization of excess deferred federal income taxes	(3)	(3)
Other	(1)	(2)
Total increase (decrease)	9	5
Total income tax expense (benefit)	$ 50	$ 37

(LG&E)

	Three Months	
	2022	2021
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 24	$ 20
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	4	4
Amortization of excess deferred federal and state income taxes	(7)	(3)
Other	(2)	(2)
Total increase (decrease)	(5)	(1)
Total income tax expense (benefit)	$ 19	$ 19

(KU)

	Three Months	
	2022	2021
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 28	$ 22
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	5	4
Amortization of excess deferred federal and state income taxes	(6)	(4)
Other	(3)	(1)
Total increase (decrease)	(4)	(1)
Total income tax expense (benefit)	$ 24	$ 21

6. Utility Rate Regulation

(All Registrants)

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

	PPL		PPL Electric	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Current Regulatory Assets:				
Gas supply clause	$ 22	$ 21	$ —	$ —
Smart meter rider	7	11	7	11
Fuel adjustment clause	15	11	—	—
Other	14	21	6	11
Total current regulatory assets (a)	$ 58	$ 64	$ 13	$ 22
Noncurrent Regulatory Assets:				
Defined benefit plans	$ 509	$ 523	$ 248	$ 256
Plant outage costs	51	54	—	—
Storm costs	12	11	—	—
Unamortized loss on debt	23	24	3	4
Interest rate swaps	14	18	—	—
Terminated interest rate swaps	68	70	—	—
Accumulated cost of removal of utility plant	224	228	224	228
AROs	302	302	—	—
Other	16	6	—	—
Total noncurrent regulatory assets	$ 1,219	$ 1,236	$ 475	$ 488

	PPL		PPL Electric	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Current Regulatory Liabilities:				
Generation supply charge	$ 9	$ 10	$ 9	$ 10
Transmission service charge	23	21	23	21
Universal service rider	4	17	4	17
TCJA customer refund	19	22	19	22
Act 129 compliance rider	15	10	15	10
Transmission formula rate return on equity (b)	30	73	30	73
Economic relief billing credit	13	27	—	—
Other	9	2	1	—
Total current regulatory liabilities	$ 122	$ 182	$ 101	$ 153
Noncurrent Regulatory Liabilities:				
Accumulated cost of removal of utility plant	$ 647	$ 639	$ —	$ —
Power purchase agreement - OVEC	33	35	—	—
Net deferred taxes	1,574	1,591	523	531
Defined benefit plans	101	95	32	28
Terminated interest rate swaps	62	62	—	—
Total noncurrent regulatory liabilities	$ 2,417	$ 2,422	$ 555	$ 559

	LG&E		KU	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Current Regulatory Assets:				
Gas supply clause	$ 22	$ 21	$ —	$ —
Gas line tracker	—	3	—	—
Generation formula rate	—	—	1	2
Fuel adjustment clause	4	4	11	7
Other	5	5	2	—
Total current regulatory assets	$ 31	$ 33	$ 14	$ 9
Noncurrent Regulatory Assets:				
Defined benefit plans	$ 160	$ 164	$ 101	$ 103
Storm costs	8	8	4	3
Unamortized loss on debt	12	12	8	8
Interest rate swaps	14	18	—	—
Terminated interest rate swaps	40	41	28	29
AROs	75	75	227	227
Plant outage costs	14	15	37	39
Other	6	4	10	2
Total noncurrent regulatory assets	$ 329	$ 337	$ 415	$ 411

	LG&E		KU	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Current Regulatory Liabilities:				
Demand side management	$ —	$ —	$ 3	$ —
Gas line tracker	3	—	—	—
Economic relief billing credit	10	21	3	6
Other	1	—	1	2
Total current regulatory liabilities	$ 14	$ 21	$ 7	$ 8
Noncurrent Regulatory Liabilities:				
Accumulated cost of removal of utility plant	$ 268	$ 262	$ 379	$ 377
Power purchase agreement - OVEC	23	24	10	11
Net deferred taxes	487	491	564	569
Defined benefit plans	11	10	58	57
Terminated interest rate swaps	31	31	31	31
Total noncurrent regulatory liabilities	$ 820	$ 818	$ 1,042	$ 1,045

(a) For PPL, these amounts are included in "Other current assets" on the Balance Sheets.
(b) See “Regulatory Matters - Federal Matters - PPL Electric Transmission Formula Rate Return on Equity” below for additional information.

Regulatory Matters

Federal Matters

PPL Electric Transmission Formula Rate Return on Equity (PPL and PPL Electric)

In May 2020, PP&L Industrial Customer Alliance (PPLICA) filed a complaint with the FERC alleging that PPL Electric’s base return on equity (ROE) used to determine PPL Electric’s formula transmission rate was unjust and unreasonable. In August 2021, PPL Electric entered into a settlement agreement (the Settlement) with PPLICA and all other parties, including intervenors. The key aspects of the Settlement include changes to PPL Electric’s base ROE, changes to the equity component of PPL Electric’s capital structure, allowing modification of the current rate year to a calendar year and allowing modification of the current formula rate based on a historic test year to a projected test year. The settlement was approved by the FERC in November 2021. The interim rates reflecting the agreed-to-base ROE in the Settlement were effective December 1, 2021.

In the first quarter of 2021, PPL and PPL Electric recorded a revenue reduction on the Statement of Income of $19 million after-tax representing an estimate of the revenue subject to refund from the date of the complaint through March 31, 2021. Of this amount, $13 million related to 2020.

As of December 31, 2021, PPL and PPL Electric had a regulatory liability on the Balance Sheet of $73 million, which represents revenue subject to refund based on the difference between charges that were calculated using the ROE in effect at the time and charges calculated using the revised ROE provided for in the Settlement, plus interest at the FERC interest rate. During the three months ended March 31, 2022, $44 million of revenue was refunded to customers. The remaining balance will be refunded to customers through May 31, 2022.

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 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 FERC's orders on the elimination of the mitigation and required transition mechanism. Oral arguments in the appellate proceeding occurred on February 14, 2022. LG&E and KU cannot predict the outcome of the respective appellate and FERC proceedings. LG&E and KU currently receive recovery of the waivers and credits provided through other rate mechanisms and such rate recovery would be anticipated to be adjusted in future rate proceedings consistent with potential changes or terminations of the waivers and credits, as such become effective.

Other

Purchase of Receivables Program *(PPL and PPL Electric)*

In accordance with a PUC-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 months ended March 31, 2022 and 2021, PPL Electric purchased $348 million and $324 million of accounts receivable from alternative suppliers.

7. Financing Activities

Credit Arrangements and Short-term Debt

(All Registrants)

The Registrants maintain credit facilities to enhance liquidity, provide credit support and act as a backstop to commercial paper programs. For reporting purposes, on a consolidated basis, PPL's arrangements listed below include the credit facilities and commercial paper programs of PPL Electric, LG&E and KU. The amounts listed in the borrowed column below are recorded as "Short-term debt" on the Balance Sheets. The following credit facilities were in place at:

	March 31, 2022					December 31, 2021	
	Expiration Date	Capacity	Borrowed	Letters of Credit and Commercial Paper Issued	Unused Capacity	Borrowed	Letters of Credit and Commercial Paper Issued
PPL							
PPL Capital Funding							
Syndicated Credit Facility	Dec. 2026	$ 1,250	$ —	$ 347	$ 903	$ —	$ —
Bilateral Credit Facility	Mar. 2023	100	—	—	100	—	—
Bilateral Credit Facility	Mar. 2023	100	—	15	85	—	15
Total PPL Capital Funding Credit Facilities		$ 1,450	$ —	$ 362	$ 1,088	$ —	$ 15
PPL Electric							
Syndicated Credit Facility	Dec. 2026	$ 650	$ —	$ 1	$ 649	$ —	$ 1
LG&E							
Syndicated Credit Facility	Dec. 2026	$ 500	$ —	$ 353	$ 147	$ —	$ 69
KU							
Syndicated Credit Facility	Dec. 2026	$ 400	$ —	$ 285	$ 115	$ —	$ —

(PPL)

In March 2022, PPL Capital Funding amended and restated its two existing $50 million bilateral credit facilities to extend the termination dates from March 9, 2022 to March 6, 2023 and to increase the borrowing capacity under each facility to $100 million.

(All Registrants)

PPL Capital Funding, 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:

	March 31, 2022				December 31, 2021	
	Weighted - Average Interest Rate	Capacity	Commercial Paper Issuances	Unused Capacity	Weighted - Average Interest Rate	Commercial Paper Issuances
PPL Capital Funding	0.84%	$ 1,350	$ 347	$ 1,003		$ —
PPL Electric		650	—	650		—
LG&E	0.72%	425	353	72	0.31%	69
KU	0.78%	350	285	65		—
Total		$ 2,775	$ 985	$ 1,790		$ 69

(PPL Electric, LG&E, and KU)

See Note 11 for discussion of intercompany borrowings.

(PPL)

Equity Securities

Share Repurchase

In August 2021, PPL's Board of Directors authorized share repurchases of up to $3 billion of PPL common shares. In 2021, PPL repurchased approximately $1 billion of PPL common shares. There were no share repurchases during the three months ended March 31, 2022. The actual additional amounts to be repurchased pursuant to this authority will depend on various factors, including PPL's share price, market conditions, and the determination of other uses for the proceeds from the sale of the U.K. utility business, including for incremental capital expenditures. PPL may purchase shares on each trading day subject to market conditions and principles of best execution.

Dividends

In February 2022, PPL declared a quarterly common stock dividend, payable April 1, 2022, of 20.0 cents per share.

8. Acquisitions, Development and Divestitures

(PPL)

Discontinued Operations

Sale of the U.K. Utility Business

On June 14, 2021, PPL WPD Limited completed the sale of PPL's utility business to National Grid Holdings One plc (National Grid U.K.), a subsidiary of National Grid plc. The transaction resulted in cash proceeds of $10.7 billion inclusive of foreign currency hedges executed by PPL. PPL received net proceeds, after taxes and fees, of $10.4 billion. PPL WPD Limited agreed to indemnify National Grid U.K. for certain tax related matters. See Note 10 for additional information. PPL has not had and will not have any significant involvement with the U.K. utility business since completion of the sale.

Summarized Results of Discontinued Operations

The operations of the U.K. utility business are included in "Loss from Discontinued Operations (net of income taxes)" on the Statement of Income for the period ended March 31, 2021 as follows:

		Three Months
Operating Revenues	$	634
Operating Expenses		252
Other Income (Expense) - net		66
Interest Expense (a)		93
Income before income taxes		355
Loss on sale		(1,647)
Income taxes		751
Loss from Discontinued Operations (net of income taxes)	$	(2,043)

(a) No interest from corporate level debt was allocated to discontinued operations.

Acquisitions

Share Purchase Agreement to Acquire Narragansett Electric

On March 17, 2021, PPL and its subsidiary, PPL Energy Holdings, entered into a share purchase agreement (Narragansett SPA) with National Grid USA (National Grid U.S.), a subsidiary of National Grid plc to acquire 100% of the outstanding shares of common stock of Narragansett Electric for approximately $3.8 billion in cash. On May 3, 2021, an Assignment and Assumption Agreement was entered into by PPL, PPL Energy Holdings, PPL Rhode Island Holdings and National Grid U.S. whereby certain interests of PPL Energy Holdings in the Narragansett SPA were assigned to and assumed by PPL Rhode Island Holdings. Pursuant to that Assignment and Assumption Agreement, PPL Rhode Island Holdings became the purchasing entity under the Narragansett SPA. The acquisition is expected to be funded with proceeds from the sale of the U.K. utility business. PPL has agreed to guarantee all obligations of PPL Energy Holdings and PPL Rhode Island Holdings under the Narragansett SPA and the related Assignment and Assumption Agreement.

The closing of the acquisition is subject to the receipt of certain U.S. regulatory approvals or waivers, including, among others, authorizations or waivers from the Rhode Island Division of Public Utilities and Carriers (RIDPU), the Massachusetts Department of Public Utilities (MDPU), the Federal Communications Commission (FCC), and the FERC, as well as review under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other customary conditions to closing, including the execution and delivery of certain related transaction documents.

- The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (HSR) with respect to the acquisition, expired on June 2, 2021. The HSR approval expires on June 2, 2022.
- On July 14, 2021, the FCC consented to the Transfer of Control Application for the transfer of control of certain communications licenses held by Narragansett Electric from National Grid U.S. to PPL. The FCC consent was originally set to expire on January 17, 2022, but has been extended for 180 days and is currently set to expire on July 16, 2022.
- On September 23, 2021, the FERC issued an order authorizing, as consistent with the public interest, the disposition of jurisdictional facilities that will result in PPL Rhode Island Holdings, LLC, acquiring 100% of the outstanding shares of common stock of Narragansett Electric.
- On July 16, 2021, the MDPU granted a waiver of jurisdiction with respect to the acquisition, finding that the acquisition would not adversely impact Massachusetts ratepayers. On March 3, 2022, the Massachusetts Supreme Judicial Court (SJC) issued a stay of the waiver order. On March 25, 2022, National Grid and the Massachusetts Attorney General filed with the SJC a Joint Stipulation of Voluntary Dismissal of Appeal and Motion to Lift the Court's March 3, 2022 Order of Stay, and on March 29, 2022, the SJC issued an order dismissing the appeal with prejudice and vacating the stay that it had previously entered.
- On February 23, 2022, the RIDPU issued an order authorizing the disposition of jurisdictional facilities that will result in PPL Rhode Island acquiring 100% of the outstanding shares of common stock of Narragansett Electric. The Rhode Island Attorney General subsequently appealed the RIDPU order approving the transaction to the Rhode Island Superior Court and requested a stay of the RIDPU order pending resolution of the appeal. On April 1, 2022, the Rhode Island Superior Court granted a stay of the RIDPU order, and oral arguments on the appeal were held on April 26, 2022. Favorable resolution of the appeals process in Rhode Island is the final pending approval needed to close the transaction.

PPL Energy Holdings and PPL Rhode Island Holdings and National Grid U.S. have each made customary representations, warranties and covenants in the Narragansett SPA, including, among others, customary indemnification provisions and covenants by National Grid U.S. to conduct the Narragansett Electric business in the ordinary course between the execution of the Narragansett SPA and the closing of the acquisition. The consummation of the transaction is not subject to a financing condition.

In connection with the acquisition, National Grid U.S. and one or more of its subsidiaries and Narragansett Electric will enter into a transition services agreement, pursuant to which National Grid U.S. and/or one or more of its affiliates will agree to provide certain transition services to Narragansett Electric and its affiliates to facilitate the operation of Narragansett Electric following the consummation of the acquisition and the transition of operations to PPL, as agreed upon in the Narragansett SPA.

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 March 31:

	Pension Benefits	
	Three Months	
	2022	2021
PPL		
Service cost	$ 12	$ 13
Interest cost	32	32
Expected return on plan assets	(64)	(61)
Amortization of:		
Prior service cost	2	2
Actuarial loss	12	25
Net periodic defined benefit costs (credits)	$ (6)	$ 11

	Other Postretirement Benefits	
	Three Months	
	2022	2021
PPL		
Service cost	$ 1	$ 2
Interest cost	4	4
Expected return on plan assets	(6)	(5)
Net periodic defined benefit costs (credits)	$ (1)	$ 1

(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

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 *(PPL)*

Background

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. Talen Energy Marketing also became a subsidiary of Talen Energy as a result of the June 2015 spinoff of PPL Energy Supply. Talen Energy has owned and operated both Talen Montana and Talen Energy Marketing 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.

Talen Montana Retirement Plan and Talen Energy Marketing, LLC, Individually and on Behalf of All Others Similarly Situated v. PPL Corporation et al.

On October 29, 2018, Talen Montana Retirement Plan and Talen Energy Marketing filed a putative class action complaint on behalf of current and contingent creditors of Talen Montana who allegedly suffered harm or allegedly will suffer reasonably foreseeable harm as a result of a November 2014 distribution of proceeds from the sale of then-PPL Montana's hydroelectric generating facilities. The action was filed in the Sixteenth Judicial District of the State of Montana, Rosebud County, against PPL and certain of its affiliates and current and former officers and directors (Talen Putative Class Action). Plaintiff asserts claims for, among other things, fraudulent transfer, both actual and constructive; recovery against subsequent transferees; civil conspiracy; aiding and abetting tortious conduct; and unjust enrichment. Plaintiff is seeking avoidance of the purportedly fraudulent transfer, unspecified damages, including punitive damages, the imposition of a constructive trust, and other relief. In December 2018, PPL removed the Talen Putative Class Action from the Sixteenth Judicial District of the State of Montana to the United States District Court for the District of Montana, Billings Division (MT Federal Court). In January 2019, the plaintiff moved to remand the Talen Putative Class Action back to state court, and dismissed without prejudice all current and former PPL Corporation directors from the case. In September 2019, the MT Federal Court granted plaintiff's motion to remand the case back to state court. Although, the PPL defendants petitioned the Ninth Circuit Court of Appeals to grant an appeal of the remand decision, in November 2019, the Ninth Circuit Court of Appeals denied that request and in December 2019, Talen Montana Retirement Plan filed a Second Amended Complaint in the Sixteenth Judicial District of the State of Montana, Rosebud County, which removed Talen Energy Marketing as a plaintiff. In January 2020, PPL defendants filed a motion to dismiss the Second Amended Complaint or, in the alternative, to stay the proceedings pending the resolution of the below mentioned Delaware Action. The Court held a hearing on June 24, 2020 regarding the motions. On September 11, 2020, the Court granted PPL defendants' alternative Motion for a Stay of the proceedings.

PPL Corporation et al. vs. Riverstone Holdings LLC, Talen Energy Corporation et al.

On November 30, 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 (Delaware Action), in response to and as part of the defense strategy for an action filed by Talen Montana, LLC (the Talen Direct Action, since dismissed) and the Talen Putative Class Action described above (together, the Montana Actions) originally filed in Montana state court in October 2018. In the complaint, the PPL plaintiffs ask the Delaware Court of Chancery for declaratory and injunctive relief. This includes a declaratory judgment that, under the separation agreement governing the spinoff of PPL Energy Supply, all related claims that arise must be heard in Delaware; that the statute of limitations in Delaware and the spinoff agreement bar these claims at this time; that PPL is not liable for the claims in either the Talen Direct Action or the Talen Putative Class Action as PPL Montana was solvent at all relevant times; and that the separation agreement requires that Talen Energy indemnify PPL for all losses arising from the debts of Talen Montana, among other things. PPL's complaint also seeks damages against Riverstone for interfering with the separation agreement and against Riverstone affiliates for breach of the implied covenant of good faith and fair dealing. The complaint was subsequently amended on January 11, 2019 and March 20, 2019, to include, among other things, claims related to indemnification with respect to the Montana Actions, request a declaration that the Montana Actions are time-barred under the spinoff agreements, and allege additional facts to support the tortious interference claim. In April 2019, the defendants filed motions to dismiss the amended complaint. In July 2019, the Court heard oral arguments from the parties regarding the motions to dismiss, and in October 2019, the Delaware Court of Chancery issued an opinion sustaining all of the PPL plaintiffs' claims except for the claim for breach of implied covenant of good faith and fair dealing. As a result of the dismissal of the Talen Direct Action in December 2019, in January 2020, Talen Energy filed a new motion to dismiss five of the remaining eight claims in the amended complaint. The Court heard oral argument on Talen's motion to dismiss on May 28, 2020, and on June 22, 2020, issued an opinion denying the motion in its entirety. Discovery is proceeding, and the parties have filed certain motions and cross-motions for summary judgment, which are not yet scheduled for hearing.

In January 2022, Vice-Chancellor Joseph R. Slights III, the judge assigned to this litigation, announced his retirement. Thereafter, this case was removed from the trial schedule and is awaiting the assignment of a new judge. The new judge will likely rule on the motions and cross-motions for summary judgment.

With respect to each of the Talen-related matters described above, 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 Talen Putative Class Action and intends to continue to vigorously defend against this action. The Talen Putative Class Action was stayed at an early stage of litigation. While the Delaware Action is progressing, at this time PPL cannot predict the outcome of either of these matters or estimate the range of possible losses, if any, that PPL might incur as a result of the claims, although they could be material.

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 (SRAA) 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.

Air *(PPL and LG&E)*

Sulfuric Acid Mist Emissions

In June 2016, the EPA issued a notice of violation under the Clean Air Act alleging that LG&E violated applicable rules relating to sulfuric acid mist emissions at its Mill Creek plant. The notice alleges failure to install proper controls, failure to operate the facility consistent with good air pollution control practice and causing emissions exceeding applicable requirements or constituting a nuisance or endangerment. LG&E believes it has complied with applicable regulations during the relevant time period. On July 31, 2020, the U.S. Department of Justice and Louisville Metro Air Pollution Control District filed a complaint in the U.S. District Court for the Western District of Kentucky alleging violations specified in the EPA notice of violation and seeking civil penalties and injunctive relief. In October 2020, LG&E filed a motion to dismiss the complaint. In December 2020, the U.S. Department of Justice and the Louisville Metro Air Pollution Control District filed an amended complaint. In February 2021, LG&E filed a renewed motion to dismiss regarding the amended complaint. In September 2021, the parties reached a tentative agreement providing for dismissal of the court action, the payment by LG&E of a penalty amount and performance of a supplemental environmental project (SEP). On February 23, 2022 the court entered a Consent Decree approving the agreed penalty and SEP. The agreed penalty and SEP do not have a significant impact on LG&E's operations or financial condition.

Water/Waste *(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 "no 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. On October 13, 2020, the EPA published final revisions to its best available technology standards for certain wastewaters and potential extensions to compliance dates (the Reconsideration Rule). The rule is 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. In August 2021, the EPA published a notice of rulemaking initiative announcing that it will propose revisions to the Reconsideration Rule and determine "whether more stringent limitations and standards are appropriate." Compliance with the Reconsideration Rule is required during the pendency of the rulemaking process.

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 the 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. 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 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 that it views as posing a threat of continuing groundwater contamination. Future guidance, regulatory determinations, rulemakings 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. The Registrants are currently finalizing closure plans and schedules.

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)*

PPL Electric, LG&E and KU 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 and Kentucky previously owned or operated by, or currently owned by predecessors or affiliates of, PPL Electric, LG&E and KU. PPL Electric is potentially responsible 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 March 31, 2022 and December 31, 2021, PPL Electric had a recorded liability of $11 million and $10 million representing its best estimate of the probable loss incurred to remediate the sites identified above. 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 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.

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 and KU 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 TSA has determined to be critical. 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 required notified entities to implement a significant number of specified cyber security controls and processes. LG&E does not believe the security directives will have a significant impact on LG&E's operations or financial condition.

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. Such agreements include, for example, 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 March 31, 2022. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The probability of expected payment/performance under each of these guarantees is remote. For reporting purposes, on a consolidated basis, the guarantees of PPL include the guarantees of its subsidiary Registrants.

	Exposure at March 31, 2022	Expiration Date
PPL		
Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business	£ 50 (a)	2028
LG&E and KU		
LG&E and KU obligation of shortfall related to OVEC	(b)	

(a) PPL WPD Limited 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) 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 $91 million at March 31, 2022, consisting of LG&E's share of $63 million and KU's share of $28 million. The maximum exposure and the expiration date of these potential obligations are not presently determinable. See "Energy Purchase Commitments" in Note 14 in PPL's, LG&E's and KU's 2021 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.

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. This insurance may be applicable to obligations under certain of these contractual arrangements.

11. Related Party Transactions

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

PPL Services and LKS provide and, prior to its merger into PPL Services on December 31, 2021, PPL EU Services provided 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 PPL EU Services 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 may also use a ratio of overall direct and indirect costs or a weighted average cost ratio. LKS bases its indirect allocations on the subsidiaries' number of employees, total assets, revenues, number of customers and/or other statistical information. PPL Services, LKS and PPL EU Services charged the following amounts for the periods ended 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	
	2022	2021
PPL Electric from PPL Services	$ 61	$ 10
PPL Electric from PPL EU Services	—	50
LG&E from LKS	39	42
KU from LKS	44	44

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)

PPL Energy Funding maintains a $1,200 million revolving line of credit with a PPL Electric subsidiary. At March 31, 2022 and December 31, 2021, PPL Energy Funding had borrowings outstanding in the amount of $296 million and $499 million. These balances are reflected in "Notes receivable from affiliate" on the PPL Electric Balance Sheets. The interest rates on borrowings are equal to one-month LIBOR plus a spread. Interest income is reflected in "Interest Income from Affiliate" on the PPL Electric 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 limit at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on LIBOR. LG&E's money pool borrowing limit is $325 million. At December 31, 2021, LG&E had borrowings outstanding from KU and/or LKE in the amount of $324 million. This balance is reflected in "Notes payable to affiliates" on the LG&E Balance Sheets. No balances were outstanding at March 31, 2022.

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 limit at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on LIBOR. KU's money pool borrowing limit is $300 million. At March 31, 2022 and December 31, 2021, KU had borrowings outstanding from LG&E and/or LKE in the amount of $4 million and $294 million. These balances are reflected in "Notes payable to affiliates" on the KU Balance Sheets.

VEBA Funds Receivable *(PPL Electric)*

In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer 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. The intercompany receivable balance associated with these funds was $8 million as of March 31, 2022, which was reflected in "Accounts receivable from affiliates" on the PPL Electric Balance Sheets. The intercompany receivable balance associated with these funds was $11 million as of December 31, 2021, the majority of which was reflected in "Accounts receivable from affiliates" on the PPL Electric Balance Sheets.

12. Other Income (Expense) - net

(PPL)

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

	Three Months	
	2022	2021
Other Income		
Defined benefit plans - non-service credits (Note 9)	$ 10	$ 4
AFUDC - equity component	4	4
Total Other Income	14	8
Other Expense		
Charitable contributions	1	1
Miscellaneous	13	7
Total Other Expense	14	8
Other Income (Expense) - net	$ —	$ —

(PPL Electric)

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

	Three Months	
	2022	2021
Other Income		
Defined benefit plans - non-service credits (Note 9)	$ 4	$ 2
Interest Income	1	—
AFUDC - equity component	4	4
Total Other Income	9	6
Other Expense		
Charitable contributions	1	1
Miscellaneous	2	—
Total Other Expense	3	1
Other Income (Expense) - net	$ 6	$ 5

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 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 2021 Form 10-K for information on the levels in the fair value hierarchy.

Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

	March 31, 2022				December 31, 2021			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL								
Assets								
Cash and cash equivalents	$ 4,249	$ 4,249	$ —	$ —	$ 3,571	$ 3,571	$ —	$ —
Restricted cash and cash equivalents (a)	1	1	—	—	1	1	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	4,250	4,250	—	—	3,572	3,572	—	—
Special use funds (a):								
Money market fund	1	1	—	—	2	2	—	—
Commingled debt fund measured at NAV (c)	20	—	—	—	22	—	—	—
Commingled equity fund measured at NAV (c)	19	—	—	—	21	—	—	—
Total special use funds	40	1	—	—	45	2	—	—
Total assets	$ 4,290	$ 4,251	$ —	$ —	$ 3,617	$ 3,574	$ —	$ —
Liabilities								
Price risk management liabilities (d):								
Interest rate swaps	$ 14	$ —	$ 14	$ —	$ 18	$ —	$ 18	$ —
Total price risk management liabilities	$ 14	$ —	$ 14	$ —	$ 18	$ —	$ 18	$ —
PPL Electric								
Assets								
Cash and cash equivalents	$ 46	$ 46	$ —	$ —	$ 21	$ 21	$ —	$ —
Total assets	$ 46	$ 46	$ —	$ —	$ 21	$ 21	$ —	$ —
LG&E								
Assets								
Cash and cash equivalents	$ 9	$ 9	$ —	$ —	$ 9	$ 9	$ —	$ —
Total assets	$ 9	$ 9	$ —	$ —	$ 9	$ 9	$ —	$ —
Liabilities								
Price risk management liabilities:								
Interest rate swaps	$ 14	$ —	$ 14	$ —	$ 18	$ —	$ 18	$ —
Total price risk management liabilities	$ 14	$ —	$ 14	$ —	$ 18	$ —	$ 18	$ —
KU								
Assets								
Cash and cash equivalents	$ 8	$ 8	$ —	$ —	$ 13	$ 13	$ —	$ —
Total assets	$ 8	$ 8	$ —	$ —	$ 13	$ 13	$ —	$ —

(a) Included in "Other current assets" on the Balance Sheets.
(b) Total Cash, Cash Equivalents and Restricted Cash provides a reconciliation of these items reported within the Balance Sheets to the sum shown on the Statements of Cash Flows.
(c) In accordance with accounting guidance, certain investments that are measured at fair value using net asset value per share (NAV), or its equivalent, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Balance Sheets.
(d) Current portion is included in "Other current liabilities" and noncurrent portion is included in "Other deferred credits and noncurrent liabilities" on the Balance Sheets.

Special Use Funds

(PPL)

The special use funds are investments restricted for paying active union employee medical costs. In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer 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. The funds are invested primarily in commingled debt and equity funds measured at NAV and are classified as investments in equity securities. Changes in the fair value of the funds are recorded to the Statements of Income.

Price Risk Management Assets/Liabilities - Interest Rate Swaps

(PPL, LG&E and KU)

To manage interest rate risk, PPL, LG&E and KU use interest rate contracts such as forward-starting swaps, floating-to-fixed swaps and fixed-to-floating swaps. An income approach is used to measure the fair value of these contracts, utilizing readily observable inputs, such as forward interest rates (e.g., LIBOR and government security rates), as well as inputs that may not be observable, such as credit valuation adjustments. In certain cases, market information cannot practicably be obtained to value credit risk and therefore internal models are relied upon. These models use projected probabilities of default and estimated recovery rates based on historical observances. When the credit valuation adjustment is significant to the overall valuation, the contracts are classified as Level 3.

Financial Instruments Not Recorded at Fair Value *(All Registrants)*

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

	March 31, 2022		December 31, 2021	
	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
PPL	$ 11,142	$ 11,720	$ 11,140	$ 12,955
PPL Electric	4,485	4,789	4,484	5,272
LG&E	2,006	2,131	2,006	2,363
KU	2,619	2,779	2,618	3,120

(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

Risk Management Objectives

(All Registrants)

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, 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 issuances.
- 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 domestic utilities due to the recovery methods in place.

(All Registrants)

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 PUC-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 expenses. These mechanisms generally provide for timely recovery of market price fluctuations associated with these expenses.

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. 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.

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 Electric, LG&E or KU defaults on its 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' credit ratings fall below investment grade, their tangible net worth falls below specified percentages or their 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 March 31, 2022 and December 31, 2021.

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.

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 March 31, 2022.

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 months ended March 31, 2022 and 2021, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At March 31, 2022, 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. At March 31, 2022, LG&E held contracts with a notional amount of $64 million that mature in 2033.

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 that are recognized as regulatory assets or regulatory liabilities. See Note 6 for amounts recorded in regulatory assets and regulatory liabilities at March 31, 2022 and December 31, 2021.

See Note 1 in each Registrant's 2021 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.

	March 31, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management				
Assets/Liabilities:				
Interest rate swaps (a)	$ —	$ 1	$ —	$ 1
Total current	—	1	—	1
Noncurrent:				
Price Risk Management				
Assets/Liabilities:				
Interest rate swaps (a)	—	13	—	17
Total noncurrent	—	13	—	17
Total derivatives	$ —	$ 14	$ —	$ 18

(a) Current portion is included in "Price risk management assets" and "Other current liabilities" and noncurrent portion is included in "Price risk management 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 March 31, 2022.

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

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months
Interest rate swaps	Interest expense	$ 1

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	Three Months
Interest rate swaps	Regulatory assets - noncurrent	$ 4

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 March 31, 2021.

Derivative Relationships	Three Months Derivative Gain (Loss) Recognized in OCI	Location of Gain (Loss) Recognized in Income on Derivative	Three Months Gain (Loss) Reclassified from AOCI into Income
Cash Flow Hedges:			
Interest rate swaps	$ —	Interest expense	$ (1)
		Loss from Discontinued Operations (net of taxes)	(1)
Cross-currency swaps	(46)	Loss from Discontinued Operations (net of taxes)	(37)
Total	$ (46)		$ (39)
Net Investment Hedges:			
Foreign currency contracts in discontinued operations	$ 1		

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months
Foreign currency contracts	Loss from Discontinued operations (net of taxes)	$ (25)
Interest rate swaps	Interest expense	(1)
	Total	$ (26)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	Three Months
Interest rate swaps	Regulatory assets - noncurrent	$ 6

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

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Three Months	
	Interest Expense	Other Income (Expense) - net
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 107	$ —
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)	—
Cross-currency swaps:		
Hedged items	—	—
Amount of gain (loss) reclassified from AOCI to Income	—	—

The following table presents the effect of cash flow hedge activity on the Statement of Income for the period ended March 31, 2021.

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Three Months	
	Interest Expense	Loss from Discontinued Operations (net of taxes)
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 153	$ (2,043)
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)	1
Cross-currency swaps:		
Hedged items	—	37
Amount of gain (loss) reclassified from AOCI to Income	—	(37)

(LG&E)

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

	March 31, 2022		December 31, 2021	
	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	—	13	—	17
Total noncurrent	—	13	—	17
Total derivatives	$ —	$ 14	$ —	$ 18

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 March 31, 2022.

Derivative Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Three Months
Interest rate swaps	Interest expense	$ 1

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

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 March 31, 2021.

Derivative Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Three Months
Interest rate swaps	Interest expense	$ (1)

Derivative Instruments	Location of Gain (Loss) Recognized in Regulatory Assets	Three Months
Interest rate swaps	Regulatory assets - noncurrent	$ 6

(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		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
March 31, 2022								
Treasury Derivatives								
PPL	$ —	$ —	$ —	$ —	$ 14	$ —	$ —	$ 14
LG&E	—	—	—	—	14	—	—	14

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
December 31, 2021								
Treasury Derivatives								
PPL	$ —	$ —	$ —	$ —	$ 18	$ —	$ —	$ 18
LG&E	—	—	—	—	18	—	—	18

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 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, amounts disclosed below represent assumed immediate payment or immediate and ongoing full collateralization for derivative instruments in net liability positions with "adequate assurance" features.

(PPL)

At March 31, 2022, there were no derivative contracts in a net liability position that contain credit risk-related contingent features, collateral posted on those positions and the related effect of a decrease in credit ratings below investment grade.

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 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 and KU, 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, 2021	$ 189	$ 84	$ 105
Accretion	4	1	3
Changes in estimated timing or cost	1	1	—
Obligations settled	(13)	(7)	(6)
Balance at March 31, 2022	$ 181	$ 79	$ 102

16. Accumulated Other Comprehensive Income (Loss)

(PPL)

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

	Foreign currency translation adjustments	Unrealized gains (losses) on qualifying derivatives	Equity investees' AOCI	Defined benefit plans: Prior service costs	Defined benefit plans: Actuarial gain (loss)	Total
PPL						
December 31, 2021	$ —	$ 1	$ —	$ (6)	$ (152)	$ (157)
Amounts arising during the period	—	—	1	(1)	—	—
Reclassifications from AOCI	—	1	—	1	3	5
Net OCI during the period	—	1	1	—	3	5
March 31, 2022	$ —	$ 2	$ 1	$ (6)	$ (149)	$ (152)
December 31, 2020	$ (1,158)	$ —	$ —	$ (16)	$ (3,046)	$ (4,220)
Amounts arising during the period	303	(30)	—	—	—	273
Reclassifications from AOCI	—	25	—	—	40	65
Net OCI during the period	303	(5)	—	—	40	338
March 31, 2021	$ (855)	$ (5)	$ —	$ (16)	$ (3,006)	$ (3,882)

The following table presents PPL's gains (losses) and related income taxes for reclassifications from AOCI for the periods ended March 31.

Details about AOCI	Three Months 2022	Three Months 2021	Affected Line Item on the Statements of Income
Qualifying derivatives			
Interest rate swaps	$ (1)	$ (1)	Interest Expense
	—	(1)	Loss from Discontinued Operations (net of income taxes)
Cross-currency swaps	—	(37)	Loss from Discontinued Operations (net of income taxes)
Total Pre-tax	(1)	(39)	
Income Taxes	—	14	
Total After-tax	(1)	(25)	
Defined benefit plans			
Prior service costs (a)	(1)	—	
Net actuarial loss (a)	(4)	(62)	
Total Pre-tax	(5)	(62)	
Income Taxes	1	22	
Total After-tax	(4)	(40)	
Total reclassifications during the period	$ (5)	$ (65)	

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

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' 2021 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 months ended March 31, 2022 with the same period in 2021. The PPL "Results of Operations" also includes "Segment Earnings" and "Adjusted Gross Margins," which provide a detailed analysis of earnings by reportable segment. These discussions include non-GAAP financial measures, including "Earnings from Ongoing Operations" and "Adjusted Gross Margins" and provide explanations of the non-GAAP financial measures and a reconciliation of the non-GAAP financial measures 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.

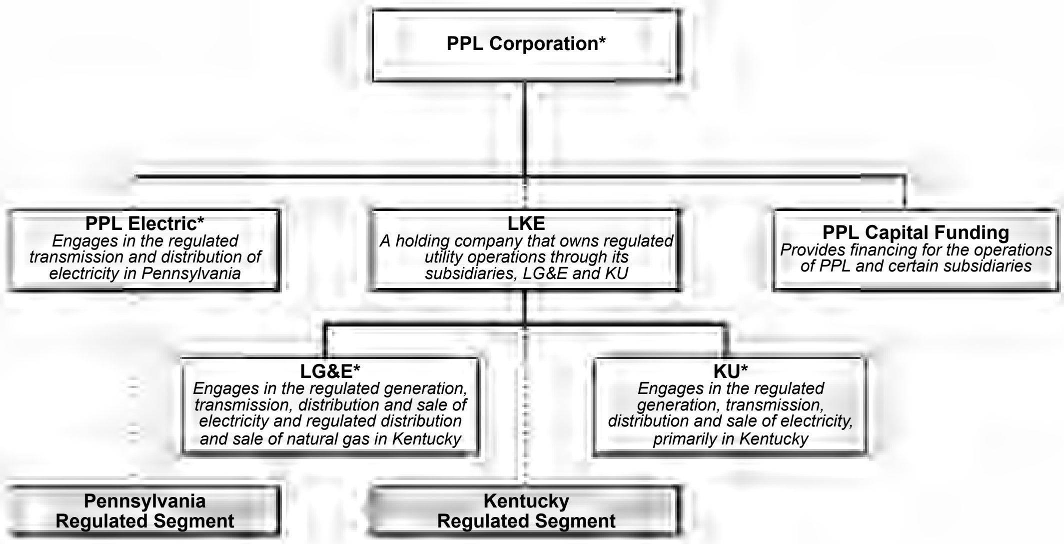
Overview

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 and Virginia; delivers natural gas to customers in Kentucky; and generates electricity from power plants in Kentucky.

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



PPL's reportable segments' results primarily represent the results of LKE, including its wholly-owned subsidiaries, LG&E and KU, and PPL Electric.

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 PUC, 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.

Business Strategy

(All Registrants)

PPL's strategy, which is supported by the other Registrants, 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, 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, the FERC transmission formula rate, 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 March 2021, PPL entered into definitive agreements that strategically reposition the company as a U.S.-based energy company focused on building the utilities of the future. These transactions are intended to strengthen PPL's credit metrics, enhance long-term earnings growth and predictability, and provide the company with greater financial flexibility to invest in sustainable energy solutions. See Note 9 to the Financial Statements in PPL's 2021 Form 10-K and the "Share Purchase Agreement to Acquire Narragansett Electric" discussion in "Financial and Operational Developments" below for additional information.

Financial and Operational Developments

(PPL)

Share Purchase Agreement to Acquire Narragansett Electric

On March 17, 2021, PPL and its subsidiary, PPL Energy Holdings, entered into a share purchase agreement (Narragansett SPA) with National Grid USA (National Grid U.S.), a subsidiary of National Grid plc to acquire 100% of the outstanding shares of common stock of Narragansett Electric for approximately $3.8 billion in cash. On May 3, 2021, an Assignment and Assumption Agreement was entered into by PPL, PPL Energy Holdings, PPL Rhode Island Holdings and National Grid U.S. whereby certain interests of PPL Energy Holdings in the Narragansett SPA were assigned to and assumed by PPL Rhode Island Holdings. Pursuant to that Assignment and Assumption Agreement, PPL Rhode Island Holdings became the purchasing entity under the Narragansett SPA. PPL has agreed to guarantee all obligations of PPL Energy Holdings and PPL Rhode Island Holdings under the Narragansett SPA and the related Assignment and Assumption Agreement.

The closing of the acquisition is subject to the receipt of certain U.S. regulatory approvals or waivers, and other customary conditions to closing. To date, all required regulatory approvals or waivers have been received. However, a stay has been granted by the Rhode Island Superior Court on the Rhode Island Division of Public Utilities and Carriers order, pending resolution of the appeal. See Note 8 to the Financial Statements for additional information regarding the current status of these proceedings. The regulatory approvals remain subject to any applicable appeal periods. The consummation of the transaction is not subject to a financing condition.

See Note 8 to the Financial Statements for additional information.

Regulatory Requirements

(All Registrants)

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

Environmental Considerations for Coal-Fired Generation (PPL, LG&E and KU)

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 two older coal-fired units at the Mill Creek Plant and KU anticipates retiring one coal-fired unit at the E.W. Brown plant. Mill Creek Unit 1 has 300 MW of capacity and is expected to be retired in 2024. Mill Creek Unit 2 and E.W. Brown Unit 3 have capacities of 297 MW and 412 MW and are expected to be retired in 2028. LG&E and KU anticipate earning recovery of and return on any remaining net book value of these assets through the Retired Asset Recovery (RAR) rider. See Note 7 to the Financial Statements in the Registrants' 2021 Form 10-K for additional information related to the RAR rider.

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 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 FERC's orders on the elimination of the mitigation and required transition mechanism. Oral arguments in the appellate proceeding occurred on February 14, 2022. LG&E and KU cannot predict the outcome of the respective appellate and FERC proceedings. LG&E and KU currently receive recovery of the waivers and credits provided through other rate mechanisms and such rate recovery would be anticipated to be adjusted in future rate proceedings consistent with potential changes or terminations of the waivers and credits, as such become effective.

Rate Case Proceedings (PPL and KU)

On August 31, 2021, KU filed a request with the VSCC for an annual increase in Virginia base electricity rates of approximately $12 million. KU's request is based on an authorized 10.4% return on equity. On March 11, 2022, KU and the VSCC staff reached a partial stipulation and recommendation agreement providing KU with an increase in base electricity rates of approximately $7 million based on an authorized 9.4% return on equity. A hearing on open issues occurred on March 17, 2022 and the Hearing Examiner subsequently issued a report supporting the proposed agreement as appropriate. Subject to regulatory review and approval, new rates would become effective June 1, 2022.

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 months ended March 31, 2022 with the same period in 2021. The "Segment Earnings" and "Adjusted Gross Margins" discussions provide a review of results by reportable segment. These discussions include non-GAAP financial measures, including "Earnings from Ongoing Operations" and "Adjusted Gross Margins," and provide explanations of the non-GAAP financial measures and a reconciliation of those measures to the most comparable GAAP measure.

(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 months ended March 31, 2022 with the same period in 2021.

(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.

PPL: Statement of Income Analysis, Segment Earnings and Adjusted Gross Margins

Statement of Income Analysis

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

	Three Months		
	2022	2021	$ Change
Operating Revenues	$ 1,782	$ 1,498	$ 284
Operating Expenses			
Operation			
Fuel	212	177	35
Energy purchases	352	220	132
Other operation and maintenance	433	367	66
Depreciation	271	267	4
Taxes, other than income	60	52	8
Total Operating Expenses	1,328	1,083	245
Other Income (Expense) - net	—	—	—
Interest Expense	107	153	(46)
Income from Continuing Operations Before Income Taxes	347	262	85
Income Taxes	74	59	15
Income from Continuing Operations After Income Taxes	273	203	70
Loss from Discontinued Operations (net of income taxes) (Note 8)	—	(2,043)	2,043
Net Income (Loss)	$ 273	$ (1,840)	$ 2,113

Operating Revenues

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

	Three Months
PPL Electric distribution volume (a)	$ 12
PPL Electric PLR (b)	114
PPL Electric transmission formula rate (c)	45
LG&E retail rates (d)	28
LG&E fuel and other energy prices (e)	37
KU retail rates (d)	30
KU fuel and other energy prices (e)	26
Other	(8)
Total	$ 284

(a) The increase was due to weather and higher customer volumes.
(b) The increase was primarily due to higher energy prices, higher customer volumes and lower volumes of shopping customers.
(c) The increase was primarily due to a $27 million revenue reduction recorded in the three months ended March 31, 2021 due to a challenge to the transmission formula rate return on equity, which was partially offset by $11 million of lower revenue in the three months ended March 31, 2022 due to the settled reduction in the return on equity, $17 million due to a higher PPL zonal peak load billing factor in 2022 and $10 million due to returns on additional transmission capital investments. See Note 6 to the Financial Statements for additional details on the transmission formula rate return on equity reduction.
(d) The increase was due to new base rates approved by the KPSC effective July 1, 2021.
(e) The increase was primarily due to higher recoveries of fuel and energy purchases due to higher commodity costs.

Fuel

Fuel increased $35 million for the three months ended March 31, 2022 compared with 2021, primarily due to a $9 million increase in commodity costs at LG&E and a $27 million increase in commodity costs, partially offset by a $7 million decrease in volumes due to the timing of generation maintenance outages at KU.

Energy Purchases

Energy purchases increased $132 million for the three months ended March 31, 2022 compared with 2021, primarily due to higher PLR prices of $90 million and higher PLR volumes of $16 million at PPL Electric and a $25 million increase at LG&E primarily due to an increase in commodity costs.

Other Operation and Maintenance

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

	Three Months
PPL Electric bad debts	$ 5
PPL Electric storm costs	8
PPL Electric universal service programs	3
Charges related to the sale of the U.K. utility business	(7)
Charges related to the acquisition of Narragansett Electric (a)	34
Stock compensation expense	3
Other	20
Total	$ 66

(a) Costs related to the integration of Narragansett Electric, including approximately $12 million of IT systems implementation costs and approximately $22 million of other external consultant and internal costs. PPL does not expect to recover these costs. See Note 8 to the Financial Statements for additional information.

Depreciation

The increase in depreciation was due to:

	Three Months
Additions to PP&E, net (a)	$ (2)
Depreciation rate change effective July 2021	6
Total	$ 4

(a) The decrease was primarily due to a decrease in software and computer hardware depreciation of $12 million at PPL Electric Utilities, as a result of end-of-life retirements, partially offset by increases of $4 million at LG&E and $3 million at KU due to additional assets placed into service, net of retirements.

Taxes, Other Than Income

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

	Three Months
State gross receipts tax	$ 6
Domestic property tax expense	2
Total	$ 8

Other Income (Expense) - net

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

	Three Months
Defined benefit plans - non-service credits (Note 9)	$ 6
Other	(6)
Total	$ —

Interest Expense

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

	Three Months
Long-term debt (a)	$ (42)
Other	(4)
Total	$ (46)

(a) The decrease was primarily due to PPL Capital Funding debt that was redeemed in June and July 2021.

Income Taxes

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

	Three Months
Change in pre-tax income	$ 27
Valuation allowance adjustments	(5)
Amortization of investment tax credit including deferred taxes on basis difference	(2)
Amortization of excess deferred federal and state income taxes	(6)
Other	1
Total	$ 15

Loss from Discontinued Operations (net of income taxes)

Loss from discontinued operations (net of income taxes) decreased $2,043 million for the three months ended March 31, 2022 compared with 2021. The decrease was due to the completion of the sale of the U.K. utility business in the second quarter of 2021. See "Discontinued Operations" in Note 8 to the Financial Statements for summarized results of operations of the U.K. utility business in 2021.

Segment Earnings

PPL's Net Income by reportable segment for the periods ended March 31 was as follows:

	Three Months		
	2022	2021	$ Change
Kentucky Regulated	$ 179	$ 146	$ 33
Pennsylvania Regulated	143	113	30
Corporate and Other (a)	(49)	(56)	7
Discontinued Operations (b)	—	(2,043)	2,043
Net Income	$ 273	$ (1,840)	$ 2,113

(a) 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.
(b) See Note 8 to the Financial Statements for additional information.

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 March 31 were as follows:

	Three Months		
	2022	2021	$ Change
Kentucky Regulated	$ 183	$ 142	$ 41
Pennsylvania Regulated	143	126	17
Corporate and Other	(21)	(49)	28
Earnings from Ongoing Operations	$ 305	$ 219	$ 86

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 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 March 31 include the following results.

	Three Months		
	2022	2021	$ Change
Operating revenues	$ 1,004	$ 885	$ 119
Fuel	212	177	35
Energy purchases	96	71	25
Other operation and maintenance	225	220	5
Depreciation	169	156	13
Taxes, other than income	23	21	2
Total operating expenses	725	645	80
Other Income (Expense) - net	(2)	—	(2)
Interest Expense	47	51	(4)
Interest Expense with Affiliate (a)	14	13	1
Income Taxes	37	30	7
Net Income	179	146	33
Less: Special Items	(4)	4	(8)
Earnings from Ongoing Operations	$ 183	$ 142	$ 41

(a) Borrowings between LKE and PPL were $1,456 million and $2,166 million as of March 31, 2022 and December 31, 2021.

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 March 31.

		Three Months	
	Income Statement Line Item	2022	2021
Strategic corporate initiatives, net of tax of $1	Other Income (Expense)	$ (4)	$ —
Valuation allowance adjustment (a)	Income Taxes	—	4
Total Special Items		$ (4)	$ 4

(a) Adjustment of valuation allowances related to certain tax credits recorded in 2017 as a result of the TCJA.

The changes in the components of the Kentucky Regulated segment's results between these periods were due to the factors set forth below, which reflect amounts classified as Kentucky Adjusted Gross Margins and the items that management considers special on separate lines and not in their respective Statement of Income line items.

	Three Months
Kentucky Adjusted Gross Margins	$ 89
Other operation and maintenance	(6)
Depreciation	(40)
Taxes, other than income	(4)
Other Income (Expense) - net	3
Interest Expense	4
Interest Expense with Affiliate	(1)
Income Taxes	(4)
Earnings from Ongoing Operations	41
Special items, after-tax	(8)
Net Income	$ 33

- See "Adjusted Gross Margins - Changes in Adjusted Gross Margins" for an explanation of Kentucky Adjusted Gross Margins.

- Higher depreciation expense due to a $30 million increase related to certain ECR and GLT depreciation expenses transferred to base rates as a result of the 2020 Kentucky rate case, a $5 million increase due to additional assets placed into service, net of retirements and a $5 million increase due to higher depreciation rates, effective July 1, 2021.

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 March 31 include the following results.

	Three Months		
	2022	2021	$ Change
Operating revenues	$ 775	$ 605	$ 170
Energy purchases	256	149	107
Other operation and maintenance	160	128	32
Depreciation	98	108	(10)
Taxes, other than income	37	32	5
Total operating expenses	551	417	134
Other Income (Expense) - net	8	5	3
Interest Expense	39	43	(4)
Income Taxes	50	37	13
Net Income	143	113	30
Less: Special Item	—	(13)	13
Earnings from Ongoing Operations	$ 143	$ 126	$ 17

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 March 31.

	Income Statement Line Item	Three Months	
		2022	2021
Transmission formula rate return on equity reduction, net of tax of $0, $6 (a)	Operating revenues	$ —	$ (13)
Total Special Items		$ —	$ (13)

(a) Represents the portion of the reduction recognized in the March 31, 2021 Statement of Income related to the period from May 21, 2020 through December 31, 2020. See Note 6 to the Financial Statements for additional information.

The changes in the components of the Pennsylvania Regulated segment's results between these periods are due to the factors set forth below, which reflect amounts classified as Pennsylvania Adjusted Gross Margins and the items that management considers special on separate lines and not in their respective Statement of Income line items.

		Three Months
Pennsylvania Adjusted Gross Margins	$	45
Other operation and maintenance		(28)
Depreciation		(1)
Taxes, other than income		1
Other Income (Expense) - net		3
Interest Expense		4
Income Taxes		(7)
Earnings from Ongoing Operations		17
Special Item, after tax		13
Net Income	$	30

- See "Adjusted Gross Margins - Changes in Adjusted Gross Margins" for an explanation of Pennsylvania Adjusted Gross Margins.

- Higher other operation and maintenance expense for the three month period primarily due to higher Corporate support costs of $10 million, higher nonrecoverable storm costs of $8 million and higher bad debt expense of $5 million.

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 March 31.

	2022 Three Months				
	KY Regulated	PA Regulated	Corporate and Other	Discontinued Operations (a)	Total
Net Income	$ 179	$ 143	$ (49)	$ —	$ 273
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of $1 (b)	—	—	(4)	—	(4)
Strategic corporate initiatives, net of tax of $1, $0, $1	(4)	—	(4)	—	(8)
Acquisition integration, net of tax of $6 (c)	—	—	(21)	—	(21)
Solar panel impairment, net of tax of $0	—	—	1	—	1
Total Special Items	(4)	—	(28)	—	(32)
Earnings from Ongoing Operations	$ 183	$ 143	$ (21)	$ —	$ 305

	2021 Three Months				
	KY Regulated	PA Regulated	Corporate and Other	Discontinued Operations (a)	Total
Net Income	$ 146	$ 113	$ (56)	$ (2,043)	$ (1,840)
Less: Special Items (expense) benefit:					
Loss from Discontinued Operations	—	—	—	(2,047)	(2,047)
Talen litigation costs, net of tax of $1 (b)	—	—	(3)	—	(3)
Valuation allowance adjustment (d)	4	—	(4)	4	4
Transmission formula rate return on equity reduction, net of tax of $6	—	(13)	—	—	(13)
Total Special Items	4	(13)	(7)	(2,043)	(2,059)
Earnings from Ongoing Operations	$ 142	$ 126	$ (49)	$ —	$ 219

(a) See Note 8 to the Financial Statements for additional information.
(b) PPL incurred legal expenses related to litigation with its former affiliate, Talen Montana. See Note 10 to the Financial Statements for additional information.
(c) Costs related to the integration of Narragansett Electric, including approximately $9 million of IT systems implementation costs and approximately $12 million primarily related to other external consultant costs. PPL does not expect to recover these costs. See Note 8 to the Financial Statements for additional information.
(d) Adjustment of valuation allowances related to certain tax credits recorded in 2017 as a result of the TCJA.

Adjusted Gross Margins

Management also utilizes the following non-GAAP financial measures as indicators of performance for its businesses:

- "Kentucky Adjusted Gross Margins" is a single financial performance measure of the electricity generation, transmission and distribution operations of the Kentucky Regulated segment, as well as the Kentucky Regulated segment's distribution and sale of natural gas. In calculating this measure, fuel, energy purchases and certain variable costs of production (recorded in "Other operation and maintenance" on the Statements of Income) are deducted from operating revenues. In addition, certain other expenses, recorded in "Other operation and maintenance," "Depreciation" and "Taxes, other than income" on the Statements of Income, associated with approved cost recovery mechanisms are offset against the recovery of those expenses, which are included in revenues. These mechanisms allow for direct recovery of these expenses and, in some cases, returns on capital investments and performance incentives. As a result, this measure represents the net revenues from electricity and gas operations.

- "Pennsylvania Adjusted Gross Margins" is a single financial performance measure of the electricity transmission and distribution operations of the Pennsylvania Regulated segment. In calculating this measure, utility revenues and expenses associated with approved recovery mechanisms, including energy provided as a PLR, are offset with minimal impact on earnings. Costs associated with these mechanisms are recorded in "Energy purchases," "Other operation and maintenance" (which are primarily Act 129, Storm Damage and Universal Service program costs), "Depreciation" (which is primarily related to the Act 129 Smart Meter program) and "Taxes, other than income" (which is primarily gross receipts tax) on the Statements of Income. This measure represents the net revenues from the Pennsylvania Regulated segment's electricity delivery operations.

These measures are not intended to replace "Operating Income," which is determined in accordance with GAAP, as an indicator of overall operating performance. Other companies may use different measures to analyze and report their results of operations. Management believes these measures provide additional useful criteria to make investment decisions. These performance measures are used, in conjunction with other information, by senior management and PPL's Board of Directors to manage operations and analyze actual results compared with budget.

Changes in Adjusted Gross Margins

The following table shows Adjusted Gross Margins by PPL's reportable segment and by component, as applicable for the periods ended March 31 as well as the change between periods. The factors that gave rise to the changes are described following the table.

	Three Months		
	2022	2021	$ Change
Kentucky Regulated			
Kentucky Adjusted Gross Margins	$ 659	$ 570	$ 89
Pennsylvania Regulated			
Pennsylvania Adjusted Gross Margins			
Distribution	$ 265	$ 247	$ 18
Transmission	183	156	27
Total Pennsylvania Adjusted Gross Margins	$ 448	$ 403	$ 45

Kentucky Adjusted Gross Margins

Kentucky Adjusted Gross Margins increased for the three months ended March 31, 2022 compared with 2021, primarily due to higher base rates of $58 million and environmental and gas cost recoveries added to base rates of $33 million, partially offset by $9 million of lower adjusted gross margins as a result of the economic relief billing credit, net of amortization.

The increase in base rates was the result of new rates approved by the KPSC effective July 1, 2021. The environmental and gas cost recoveries added to base rates were the result of the transfer of certain ECR and GLT expenses into base rates as a result of the 2020 Kentucky rate case. This transfer results in depreciation and other operation and maintenance expenses associated with the ECR and GLT programs being excluded from margins in the second half of 2021, while the recovery of such costs remain in Kentucky Gross Margins through base rates.

Pennsylvania Adjusted Gross Margins

Distribution

Distribution Adjusted Gross Margins increased for the three months ended March 31, 2022 compared with 2021 primarily due to higher sales volumes of $5 million and favorable weather of $5 million. The remaining items were not individually significant in comparison to the prior year.

Transmission

Transmission Adjusted Gross Margins increased for the three months ended March 31, 2022 compared with 2021, primarily due to $17 million as a result of a higher annual PPL zonal peak load billing factor in 2022 and $10 million of returns on additional transmission capital investments focused on replacing aging infrastructure and improving reliability.

Reconciliation of Adjusted Gross Margins

The following tables contain the components from the Statement of Income that are included in the non-GAAP financial measures and a reconciliation to PPL's "Operating Income" for the periods ended March 31.

	2022 Three Months			
	Kentucky Adjusted Gross Margins	Pennsylvania Adjusted Gross Margins	Other (a)	Operating Income (b)
Operating Revenues	$ 1,004	$ 775	$ 3	$ 1,782
Operating Expenses				
Fuel	212	—	—	212
Energy purchases	96	256	—	352
Other operation and maintenance	24	29	380	433
Depreciation	13	6	252	271
Taxes, other than income	—	36	24	60
Total Operating Expenses	345	327	656	1,328
Total	$ 659	$ 448	$ (653)	$ 454

	2021 Three Months			
	Kentucky Adjusted Gross Margins	Pennsylvania Adjusted Gross Margins	Other (a)	Operating Income (b)
Operating Revenues	$ 885	$ 624	$ (11)	$ 1,498
Operating Expenses				
Fuel	177	—	—	177
Energy purchases	71	149	—	220
Other operation and maintenance	25	25	317	367
Depreciation	40	17	210	267
Taxes, other than income	2	30	20	52
Total Operating Expenses	315	221	547	1,083
Total	$ 570	$ 403	$ (558)	$ 415

(a) Represents amounts excluded from Adjusted Gross Margins.
(b) As reported on the Statements of Income.

PPL Electric: Statement of Income Analysis

Statement of Income Analysis

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

	Three Months		
	2022	2021	$ Change
Operating Revenues	$ 775	$ 605	$ 170
Operating Expenses			
Operation			
Energy purchases	256	149	107
Other operation and maintenance	160	128	32
Depreciation	98	108	(10)
Taxes, other than income	37	32	5
Total Operating Expenses	551	417	134
Other Income (Expense) - net	6	5	1
Interest Income from Affiliate	2	—	2
Interest Expense	39	43	(4)
Income Taxes	50	37	13
Net Income	$ 143	$ 113	$ 30

Operating Revenues

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

	Three Months
Distribution price (a)	$ (6)
Distribution volume (b)	12
PLR (c)	114
Transmission formula rate (d)	45
Other	5
Total	$ 170

(a) The decrease was primarily due to reconcilable cost recovery mechanisms approved by the PUC.
(b) The increase was due to weather and higher customer volumes.
(c) The increase was primarily due to higher energy prices, higher customer volumes and lower volumes of shopping customers.
(d) The increase was primarily due to a $27 million revenue reduction recorded in the three months ended March 31, 2021 due to a challenge to the transmission formula rate return on equity, which was partially offset by $11 million of lower revenue in the three months ended March 31, 2022 due to the settled reduction in the return on equity, $17 million due to a higher PPL zonal peak load billing factor in 2022 and $10 million due to returns on additional transmission capital investments. See Note 6 to the Financial Statements for additional details on the transmission formula rate return on equity reduction.

Energy Purchases

Energy purchases increased $107 million for the three months ended March 31, 2022 compared with 2021. This increase was primarily due to higher PLR prices of $90 million and higher PLR volumes of $16 million.

Other Operation and Maintenance

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

	Three Months
Support costs	$ 10
Storm costs	8
Universal service programs	3
Bad debts	5
Other	6
Total	$ 32

Depreciation

Depreciation decreased $10 million for the three months ended March 31, 2022 compared with 2021, primarily due to a $12 million decrease in software and computer hardware depreciation as a result of end-of-life retirements.

Income Taxes

Income taxes increased $13 million for the three months ended March 31, 2022 compared with 2021 primarily due to a change in pre-tax income.

LG&E: Statement of Income Analysis

Statement of Income Analysis

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

	Three Months		
	2022	2021	$ Change
Operating Revenues			
Retail and wholesale	$ 481	$ 421	$ 60
Electric revenue from affiliate	12	7	5
Total Operating Revenues	493	428	65
Operating Expenses			
Operation			
Fuel	81	67	14
Energy purchases	91	66	25
Energy purchases from affiliate	2	5	(3)
Other operation and maintenance	100	96	4
Depreciation	74	66	8
Taxes, other than income	12	11	1
Total Operating Expenses	360	311	49
Other Income (Expense) - net	(1)	(2)	1
Interest Expense	20	21	(1)
Income Taxes	19	19	—
Net Income	$ 93	$ 75	$ 18

Operating Revenues

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

	Three Months
Fuel and other energy prices (a)	$ 37
Retail rates (b)	28
Economic relief billing credit, net of amortization of $5	(6)
Other	6
Total	$ 65

(a) The increase was primarily due to higher recoveries of fuel and energy purchases due to higher commodity costs.
(b) The increase was due to new base rates approved by the KPSC effective July 1, 2021.

Fuel

Fuel increased $14 million for the three months ended March 31, 2022 compared with 2021, due to a $9 million increase in commodity costs and a $5 million increase in volumes due to higher sales to KU as a result of the timing and scope of generation maintenance outages.

Energy Purchases

Energy purchases increased $25 million for the three months ended March 31, 2022 compared with 2021, primarily due to an increase in commodity costs.

Depreciation

Depreciation increased $8 million for the three months ended March 31, 2022 compared with 2021, due to a $4 million increase driven by additional assets placed into service, net of retirements, and a $4 million increase driven by higher depreciation rates effective July 1, 2021.

KU: Statement of Income Analysis

Statement of Income Analysis

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

	Three Months		
	2022	2021	$ Change
Operating Revenues			
Retail and wholesale	$ 523	$ 464	$ 59
Electric revenue from affiliate	2	5	(3)
Total Operating Revenues	525	469	56
Operating Expenses			
Operation			
Fuel	131	110	21
Energy purchases	5	5	—
Energy purchases from affiliate	12	7	5
Other operation and maintenance	113	115	(2)
Depreciation	95	89	6
Taxes, other than income	11	10	1
Total Operating Expenses	367	336	31
Other Income (Expense) - net	—	1	(1)
Interest Expense	27	27	—
Income Taxes	24	21	3
Net Income	$ 107	$ 86	$ 21

Operating Revenues

The increase in operating revenues was due to:

	Three Months
Retail rates (a)	$ 30
Fuel and other energy prices (b)	26
Economic relief billing credit, net of amortization of $0	(3)
Other	3
Total	$ 56

(a) The increase was due to new base rates approved by the KPSC effective July 1, 2021.
(b) The increase was primarily due to higher recoveries of fuel and energy purchases due to higher commodity costs.

Fuel

Fuel increased $21 million for the three months ended March 31, 2022 compared with 2021, primarily due to a $27 million increase in commodity costs, partially offset by a $7 million decrease in volumes due to the timing and scope of generation maintenance outages.

Depreciation

Depreciation increased $6 million for the three months ended March 31, 2022 compared with 2021, primarily due to a $3 million increase driven by additional assets placed into service, net of retirements, and a $2 million increase driven by higher depreciation rates effective July 1, 2021.

Financial Condition

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

Liquidity and Capital Resources

(All Registrants)

The Registrants had the following at:

	PPL	PPL Electric	LG&E	KU
March 31, 2022				
Cash and cash equivalents	$ 4,249	$ 46	$ 9	$ 8
Short-term debt	985	—	353	285
Long-term debt due within one year	474	474	—	—
Notes payable to affiliates		—	—	4
December 31, 2021				
Cash and cash equivalents	$ 3,571	$ 21	$ 9	$ 13
Short-term debt	69	—	69	—
Long-term debt due within one year	474	474	—	—
Notes payable to affiliates		—	324	294

(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 three month periods ended March 31, and the changes between periods, were as follows.

	PPL	PPL Electric	LG&E	KU
2022				
Operating activities	$ 502	$ 122	$ 218	$ 219
Investing activities	(427)	15	(103)	(129)
Financing activities	603	(112)	(115)	(95)
2021				
Operating activities	$ 396	$ 121	$ 181	$ 224
Investing activities	(472)	(222)	(111)	(127)
Financing activities	55	90	(70)	(111)
Change - Cash Provided (Used)				
Operating activities	$ 106	$ 1	$ 37	$ (5)
Investing activities	45	237	8	(2)
Financing activities	548	(202)	(45)	16

Operating Activities

The components of the change in cash provided by (used in) operating activities for the three months ended March 31, 2022 compared with 2021 were as follows.

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Net income	$ 70	$ 30	$ 18	$ 21
Non-cash components	(9)	12	2	8
Working capital	(16)	(84)	22	(27)
Defined benefit plan funding	30	21	1	—
Other operating activities	31	22	(6)	(7)
Total	$ 106	$ 1	$ 37	$ (5)

(PPL)

PPL's cash provided by operating activities in 2022 increased $106 million compared with 2021.

- Net income increased $70 million between the periods and included a decrease in non-cash charges of $9 million. The decrease in non-cash charges was primarily due to a decrease in deferred income taxes and investment tax credits partially offset by an increase in stock-based compensation expense.

- The $16 million decrease in cash from changes in working capital was primarily due to a decrease in unbilled revenues (primarily due to weather), a decrease in regulatory liabilities (primarily due to PPL Electric's refunds to customers related to the transmission formula rate return on equity reduction and timing of rate recovery mechanisms), partially offset by an increase in accounts receivable, taxes payable and accounts payable (primarily due to timing).

- The $30 million decrease in defined benefit plan funding was primarily due to a decrease in contribution to its pension plans in 2022, as PPL's defined benefit pension plans have the option to utilize available prior year credit balances to meet current and future contribution requirements.

- The $31 million increase in cash provided by other operating activities was primarily due to an increase in pension plan assets and long-term payment agreements at PPL Electric, partially offset by a decrease in accrued pension obligations.

(PPL Electric)

PPL Electric's cash provided by operating activities in 2022 increased $1 million compared with 2021.

- Net income increased $30 million between the periods and included an increase in non-cash components of $12 million. The increase in non-cash components was primarily due to an increase in deferred income taxes and investment tax credits (primarily due to the impact of the transmission formula rate return on equity reduction) partially offset by a decrease in depreciation expense (primarily related to a decrease in software and computer hardware depreciation as a result of end-of-life retirements).

- The $84 million decrease in cash from changes in working capital was primarily due to a decrease in regulatory liabilities (primarily due to refunds to customers related to the transmission formula rate return on equity reduction and timing of rate recovery mechanisms).

- A $21 million decrease in defined benefit plan funding.

- The $22 million increase in cash provided by other operating activities was driven primarily by payments received on long-term payment agreements.

(LG&E)

LG&E's cash provided by operating activities in 2022 increased $37 million compared with 2021.

- Net income increased $18 million between the periods and included an increase in non-cash components of $2 million. The increase in non-cash components was driven by an increase in depreciation expense (primarily due to additional assets placed into service, net of retirements and higher depreciation rates effective July 1, 2021), partially offset by a decrease in deferred income tax expense (primarily due to amortization of excess deferred income taxes).

- The increase in cash from changes in working capital was primarily due to a decrease in net regulatory assets (primarily due to the timing of rate recovery mechanisms), a decrease in fuels, materials and supplies (primarily due to higher priced natural gas withdrawn from storage), a decrease in other current assets and liabilities, accounts receivable and accounts receivable from affiliates (primarily due to timing of payments), partially offset by an increase in unbilled revenues (primarily due to weather) and a decrease in accounts payable and accounts payable to affiliates (primarily due to timing of payments).

- The decrease in cash provided by other operating activities was driven by a decrease in other liabilities (primarily due to timing of payments).

(KU)

KU's cash provided by operating activities in 2022 decreased $5 million compared with 2021.

- Net income increased $21 million between the periods and included an increase in non-cash components of $8 million. The increase in non-cash components was driven by an increase in depreciation expense (primarily due to additional assets placed into service, net of retirements and higher depreciation rates effective July 1, 2021).

- The decrease in cash from changes in working capital was primarily due to an increase in unbilled revenues (primarily due to weather), a decrease in accounts payable to affiliates (primarily due to timing of payments), an increase in fuel, materials and supplies (primarily due to higher commodity costs) and an increase in accounts receivable (primarily due to higher commodity costs), partially offset by a decrease in other current assets and liabilities (primarily due to the timing of payments), an increase in taxes payable and accounts payable (primarily due to timing of payments).

- The decrease in cash provided by other operating activities was driven primarily by an increase in other assets (primarily related to noncurrent regulatory assets).

Investing Activities

(All Registrants)

The components of the change in cash provided by (used in) investing activities for the three months ended March 31, 2022 compared with 2021 were as follows.

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Expenditures for PP&E	$ 44	$ 35	$ 12	$ (2)
Notes receivable from affiliate	—	203	(4)	—
Other investing activities	1	(1)	—	—
Total	$ 45	$ 237	$ 8	$ (2)

For PPL, the decrease in expenditures for PP&E was due to lower project expenditures at PPL Electric and LG&E. The decrease in expenditures at PPL Electric was primarily due to a reduction in transmission capital spending projects. The decrease in expenditures at LG&E was primarily due to lower spending on various projects that are not individually significant.

For PPL Electric, the change in "Notes receivable from affiliate" activity resulted from payments received on the short-term note between affiliates in 2022, issued to support general corporate purposes. 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 three months ended March 31, 2022 compared with 2021 were as follows.

	PPL		PPL Electric		LG&E		KU	
Change - Cash Provided (Used)								
Dividends	$	14	$	43	$	(15)	$	(34)
Capital contributions/distributions, net		—		(40)		—		—
Retirement of term loan		300		—		—		—
Change in short-term debt, net		164		(205)		253		308
Retirement of commercial paper		73		—		41		32
Net increase in notes payable with affiliate		—		—		(324)		(290)
Other financing activities		(3)		—		—		—
Total	$	548	$	(202)	$	(45)	$	16

See Note 7 to the Financial Statements in this Form 10-Q for information on 2022 short-term and long-term debt activity, equity transactions and PPL dividends. See Note 8 to the Financial Statements in the Registrants' 2021 Form 10-K for information on 2021 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 March 31, 2022, the total committed borrowing capacity under credit facilities and the borrowings under these facilities were:

External

	Committed Capacity		Borrowed		Letters of Credit and Commercial Paper Issued		Unused Capacity	
PPL Capital Funding Credit Facilities	$	1,350	$	—	$	347	$	1,003
PPL Electric Credit Facility		650		—		1		649
LG&E Credit Facilities		500		—		353		147
KU Credit Facilities		400		—		285		115
Total Credit Facilities (a)	$	2,900	$	—	$	986	$	1,914

(a) 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)

	Committed Capacity		Borrowed		Commercial Paper Program Capacity		Unused Capacity	
LG&E Money Pool (a)	$	750	$	—	$	425	$	325
KU Money Pool (a)		650		4		350		296

(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 capacity limit, at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on LIBOR.

See Note 11 to the Financial Statements for further discussion of intercompany credit facilities.

Commercial Paper *(All Registrants)*

The Registrants 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. The following commercial paper programs were in place at March 31, 2022:

	Capacity	Commercial Paper Issuances	Unused Capacity
PPL Capital Funding	$ 1,350	$ 347	$ 1,003
PPL Electric	650	—	650
LG&E	425	353	72
KU	350	285	65
Total PPL	$ 2,775	$ 985	$ 1,790

Long-term Debt *(All Registrants)*

See Note 7 to the Financial Statements for information regarding the Registrants' long-term debt activities.

(PPL)

Equity Securities Activities

Share Repurchase

In August 2021, PPL's Board of Directors authorized share repurchases of up to $3 billion of PPL common shares. In 2021, PPL repurchased approximately $1 billion of PPL common shares. There were no share repurchases during the three months ended March 31, 2022. The actual additional amounts to be repurchased pursuant to this authority will depend on various factors, including PPL's share price, market conditions, and the determination of other uses for the proceeds from the sale of the U.K. utility business, including for incremental capital expenditures. PPL may purchase shares on each trading day subject to market conditions and principles of best execution.

See Note 7 to the Financial Statements for information regarding the Registrants' equity securities activities.

Common Stock Dividends

In February 2022, PPL declared a quarterly common stock dividend, payable April 1, 2022, of 20.0 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, including the timing of the closing of the acquisition of Narragansett Electric.

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 ratings agencies did not take any actions related to the Registrants and their subsidiaries in the first quarter of 2022.

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 March 31, 2022.

(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' 2021 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.

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 March 31, 2022.

	Exposure Hedged	Fair Value, Net - Asset (Liability) (a)	Effect of a 10% Adverse Movement in Rates (b)	Maturities Ranging Through
PPL and LG&E				
Economic hedges				
Interest rate swaps (c)	64	(14)	(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.

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 interest expense at March 31, 2022 was insignificant for PPL, PPL Electric, LG&E and KU. The estimated impact of a 10% adverse movement in interest rates on the fair value of debt at March 31, 2022 is shown below.

	10% Adverse Movement in Rates
PPL	$ 432
PPL Electric	177
LG&E	82
KU	124

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 PUC-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 expenses. These mechanisms generally provide for timely recovery of market price fluctuations associated with these expenses.

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. 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.

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' 2021 Form 10-K.

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' 2021 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.

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' 2021 Form 10-K for information about environmental laws and regulations affecting the Registrants' business. See "Legal Matters" in Note 10 to the Financial Statements for a discussion of the more significant environmental claims. 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' 2021 Form 10-K for information on projected environmental capital expenditures for 2022 through 2024. See Note 15 to the Financial Statements for information related to the impacts of CCRs on AROs.

The information below represents an update to “Item 1. Business – Environmental Matters – Air – NAAQS” and "Item 1. Business – Environmental Matters – Air – Climate Change" in the Registrants' 2021 Form 10-K.

NAAQS (PPL, LG&E and KU)

In March 2021, the EPA released final revisions to the Cross-State Air Pollution Rule (CSAPR) providing for reductions in ozone season nitrogen oxide emissions for 2021 and subsequent years from sources in 12 states, including Kentucky. Additionally, the EPA reversed its previous approval of the Kentucky State Implementation Plan with respect to these requirements. The CSAPR revisions, aimed at ensuring compliance with the 2008 ozone NAAQS, are not expected to be material. In February 2022, the EPA Administrator released a proposed Federal Implementation Plan (FIP) under the Good Neighbor provisions of the CAA providing for significant additional nitrogen oxide emission reductions for compliance with the revised 2015 ozone NAAQS. PPL, LG&E and KU are currently assessing the potential impact of the Good Neighbor Plan revisions on operations. Pursuant to the President’s executive order, the EPA is currently reviewing its previous determinations made in December 2020 to retain the existing NAAQS for ozone and particulate matter without change.

PPL, LG&E, and KU are unable to predict future emission reductions that may be required by future federal rules or state implementation actions. Compliance with the NAAQS, CSAPR 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.

Climate Change (All Registrants)

The Biden administration is undertaking wide-ranging efforts to address climate change. Recent government actions and policy developments, including the President’s announced goal of a carbon free electricity sector by 2035, could have far-reaching impacts on PPL’s business operations, products, and services. The Supreme Court is currently considering legal challenges to the Affordable Clean Energy (ACE) Rule and the repeal of the Clean Power Plan (CPP). The EPA has announced that it plans on issuing a greenhouse gas replacement rule in the future. All of these developments are preliminary or ongoing in nature and the Registrants cannot predict their final outcome or ultimate impact on operations.

New Accounting Guidance *(All Registrants)*

There has been no new accounting guidance adopted in 2022 and there is no new significant accounting guidance pending adoption as of March 31, 2022.

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' 2021 Form 10-K for a discussion of each critical accounting policy.

	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
Goodwill Impairment	X		X	X
AROs			X	X
Revenue Recognition - Unbilled Revenue			X	X

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 March 31, 2022, 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' 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 first quarter of 2022 see:

- "Item 3. Legal Proceedings" in each Registrant's 2021 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' 2021 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of PPL Corporation Equity Securities by the Issuer and Affiliated Purchasers *(PPL)*

The following table provides information about PPL's purchases of equity securities that are registered by PPL Corporation pursuant to Section 12 of the Exchange Act of 1934 for the quarter ended March 31, 2022:

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (a)
January 1 to January 31, 2022	—	$ —	—	$ 1,997,876,503
February 1 to February 28, 2022	—	— —	—	$ 1,997,876,503
March 1 to March 31, 2022	—	—	—	$ 1,997,876,503
Total	—	$ —	—	$ 1,997,876,503

(a) PPL Corporation's Board of Directors approved a share repurchase plan in August 2021. See "Equity Securities - Share Repurchase" in Note 7 to the Financial Statements for additional information.

Item 4. Mine Safety Disclosures

Not applicable.

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.

Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended March 31, 2022, 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 March 31, 2022, 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: May 5, 2022

/s/ Marlene C. Beers
Marlene C. Beers
Vice President and Controller
(Principal Accounting Officer)

PPL Electric Utilities Corporation
(Registrant)

Date: May 5, 2022

/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: May 5, 2022

/s/ Christopher M. Garrett
Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Accounting and Financial Officer)

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: May 5, 2022

/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: May 5, 2022

/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, STEPHANIE R. RAYMOND, 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: May 5, 2022

/s/ Stephanie R. Raymond

Stephanie R. Raymond
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

Exhibit 31(d)

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: May 5, 2022

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller
(Principal Financial Officer)
PPL Electric Utilities Corporation

Exhibit 31(e)

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: May 5, 2022

/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: May 5, 2022

/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: May 5, 2022

/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: May 5, 2022

/s/ Christopher M. Garrett

Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Louisville Gas and Electric 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 MARCH 31, 2022

In connection with the quarterly report on Form 10-Q of PPL Corporation (the "Company") for the quarter ended March 31, 2022, 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: May 5, 2022

/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 MARCH 31, 2022

In connection with the quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "Company") for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Stephanie R. Raymond, 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: May 5, 2022

/s/ Stephanie R. Raymond
Stephanie R. Raymond
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.

Exhibit 32(c)

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 MARCH 31, 2022

In connection with the quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "Company") for the quarter ended March 31, 2022, 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: May 5, 2022	/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.

Exhibit 32(d)

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 MARCH 31, 2022

In connection with the quarterly report on Form 10-Q of Kentucky Utilities Company (the "Company") for the quarter ended March 31, 2022, 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: May 5, 2022

/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)
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.