

Tab	Description
1	Quarterly and Annual LG&E and KU Financial Statements for 2023
2	Transfer of Assets
3	Intercompany Monthly Invoices
4	Intercompany Power Sales and Purchases
5	Costs of Jointly Owned Trimble County Units
6	Allocation of Jointly-Used Buildings and Equipment
7	Costs of Jointly Owned Combustion Turbines
8	Cash Collected and Paid by LG&E on Behalf of KU
9	Cost Allocation Manual
10	Virginia State Corporation Commission - 2023 Annual Report of Affiliate Transactions
11	Entity Changes Occurring in 2023
12	LG&E and KU Services Company 2023 FERC Form 60
13	Schedule of Professional Employees Transferred in 2023
14	Costs of Jointly Owned Solar Facility
15	Centralization of Shared Services





March 2023	Pad-mount transformer, 1 phase, 37.5 KVA	2,711.37
June 2023	Pad-mount transformer, 37.5 KVA	884.83
June 2023	Pad-mount transformer, 37.5 KVA	881.91
June 2023	Pad-mount transformer, 37.5 KVA	884.83
June 2023	Pad-mount transformer, 37.5 KVA	776.79
June 2023	Pad-mount transformer, 75 KVA	4,286.01
June 2023	Pad-mount transformer, 150 KVA	23,931.29
June 2023	Pad-mount transformer, 2000 KVA	23,041.69
June 2023	Pad-mount transformer, 2000 KVA	23,041.69
August 2023	Pad-mount transformer, 3 phase, 750 KVA	18,228.66
September 2023	Pole-mount transformer, 15 KVA	1,750.92
September 2023	Pole-mount transformer, 15 KVA	1,750.92
September 2023	Pole-mount transformer, 15 KVA	1,750.92
September 2023	Pole-mount transformer, 15 KVA	1,750.92
September 2023	Pole-mount transformer, 15 KVA	1,750.92
September 2023	Pole-mount transformer, 25 KVA	2,134.26
September 2023	Pole-mount transformer, 25 KVA	2,134.26
September 2023	Pole-mount transformer, 25 KVA	2,134.26
September 2023	Pole-mount transformer, 25 KVA	2,159.82
September 2023	Pole-mount transformer, 25 KVA	2,159.82
September 2023	Pad-mount transformer, 2000 KVA	48,499.40
December 2023	Pad-mount transformer, 1 phase, 167 KVA	7,991.28
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,022.68
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,006.98
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,006.98
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,006.98
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,038.38
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,022.68
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,022.68
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,022.68
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,022.68
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,022.68
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,022.68
December 2023	Pad-mount transformer, 1 phase, 167 KVA	8,022.68
March 2023	Pad-mount transformer, 3 phase, 300 KVA	19,539.52
	<b>Total</b>	<b>\$ 420,836.76</b>

The following assets were transferred from LG&E to PPL Services Corporation in 2023:

December 2023	50 iPads	\$10,775.00
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The following assets were transferred from KU to LG&E in 2023:

March 2023	Pad-mount transformer, 3 phase, 1500 KVA	\$1,252.03
March 2023	Pad-mount transformer, 3 phase, 1500 KVA	\$1,252.03
March 2023	Pad-mount transformer, 3 phase, 1500 KVA	\$1,252.03
March 2023	Pad-mount transformer, 3 phase, 1500 KVA	\$1,252.03
March 2023	Pad-mount transformer, 3 phase, 1500 KVA	\$1,252.03
March 2023	Pad-mount transformer, 3 phase, 1500 KVA	\$1,252.03
	<b>Total</b>	<b>\$7,512.18</b>

The following assets were transferred from KU to PPL Services Corporation in 2023:

December 2023	50 iPads	\$19,073.01
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## **INTERCOMPANY MONTHLY INVOICES**

Monthly invoices are prepared for reimbursement of expenses incurred by LG&E or KU for LG&E, KU, LG&E and KU Services Company (LKS), LG&E and KU Energy LLC (LKE) and subsidiaries. All billings between the regulated utilities (LG&E/KU) and non-regulated entities (LKS/LKE) are billed and settled on a net basis. In addition, monthly charges from PPL Corporation and its subsidiaries are received by LKS. Certain of these transactions which are directly attributable to LG&E and KU are charged to LG&E and KU and settled through LKS, but some are settled directly.

For intercompany settlement, a matrix spreadsheet with each affiliate's net balance with every other affiliate is provided to PPL Services Corporation (PPLS) Cash Management for upload into the Treasury Management System with automatic payment due around the 20<sup>th</sup> calendar day of the subsequent month. Some tax settlements are paid by the end of the same month in which the transactions were recorded.

Monthly reconciliation and balancing procedures are performed for all entities receiving and providing intercompany charges to ensure the accuracy of such transactions.

LG&E and KU had a service agreement in place through 6/13/2023 to provide rental of data center facilities to PPLS a subsidiary of PPL Corporation. Billings for data center rental and telecommunication expenses under this agreement were billed and settled by LKS on behalf of LG&E and KU to PPLS. After 6/13/2023, the data center rental was included with all other charges for jointly-used facilities under the centralized utility services agreement.

Mutual assistance services and sale of goods not readily available from the market are billed by LG&E and KU to PPL Electric Utilities, Inc. (and vice versa) as incurred, and settled through LG&E, KU, or LKS. In addition, mutual assistance services are billed by PPLS to LG&E and KU as incurred, and settled through LG&E, KU, or LKS.

LG&E and KU personnel participated in integrating the systems of The Narragansett Electric Company d/b/a Rhode Island Energy (NECO), a subsidiary of PPL Corporation which had been acquired on May 25, 2022, into those of PPL Corporation. This work was directly charged to PPL Rhode Island Holdings, LLC, a subsidiary of PPL Corporation, via billing and settlement through LKS. LG&E also provided services related to its expertise in the gas distribution business that were charged to and settled directly with NECO. Additionally, the LG&E and KU Asset Information & Data Analytics Departments provided support to NECO Electric Distribution. LG&E directly charged contractor labor and settled directly with NECO. KU charged employee labor to LG&E which billed and settled with NECO on its behalf.

## **INTERCOMPANY POWER SALES AND PURCHASES**

Monthly journal entries are prepared for off-system sales, off-system and native load purchases, and intercompany power sales and purchases between LG&E and KU. The After-the-Fact Billing system (AFB) is used to stack hourly energy, which allocates energy sources (generation and purchased power) to energy sinks (KU native load, LG&E native load and off-system sales (OSS)). The stacking is performed based on the energy cost where lowest cost energy is allocated to native load and highest cost energy is allocated to OSS, consistent with the companies' Power Supply System Agreement.

Outputs from the AFB program (queries) are used as inputs into an Excel spreadsheet. The spreadsheet calculates the allocation of third party and intercompany purchases between LG&E and KU. It also calculates the split between native load and off-system purchases, and uses the generation expenses for both companies to calculate the allocation of OSS between the companies.

**COSTS OF JOINTLY OWNED TRIMBLE COUNTY UNITS**

LG&E and KU, together with Illinois Municipal Electric Agency and Indiana Municipal Power Agency (IMEA & IMPA), jointly own Trimble County Unit 2 (TC2), a 732 net MW summer capacity coal-fired unit. LG&E also owns 75% of Trimble County Unit 1 (TC1), a 493 net MW summer capacity coal-fired unit, with IMEA & IMPA owning the remaining 25%. The ownership of these two coal-fired units is depicted in the table below.

	<b>TC1</b>	<b>TC2</b>	<b>TC 2 LG&amp;E - KU only</b>
LG&E	75.00%	14.25%	19.00%
KU		<u>60.75%</u>	<u>81.00%</u>
Total LG&E and KU		<u>75.00%</u>	<u>100.00%</u>
 IMEA/IMPA	<u>25.00%</u>	<u>25.00%</u>	
 Total ownership	<u>100.00%</u>	<u>100.00%</u>	

All capital costs and operation and maintenance expense charges for TC2 are allocated among the joint owners according to their respective ownership percentages, with LG&E's and KU's allocated 75% charged 81% to KU and 19% to LG&E. All capital costs and operation and maintenance expense charges for TC1 are allocated among the joint owners according to their respective ownership percentages, with LG&E charged 75% of the charges. Fuel expenses are allocated based on the percentage of total generation sent to the joint owners.

All capital costs and operation and maintenance expense charges incurred for both TC2 and TC1 are allocated 25% to IMEA & IMPA. LG&E's and KU's combined 75% of these costs is allocated based on the nameplate ratings and percentage ownership, with 52% charged to LG&E and 48% charged to KU.

## **ALLOCATION OF JOINTLY-USED BUILDINGS AND EQUIPMENT**

### **LG&E Center**

The LG&E Center is owned by a third party and leased by LG&E and KU Energy LLC. Expenses incurred for renting a portion of the LG&E Center are billed to affiliates of LKE by its billing agent, LG&E and KU Services Company (LKS), for the occupation of office space by employees of LKS, PPLS, LG&E and KU.

The monthly allocation of rent expense for the LG&E Center (comprised of a portion of the basement, a portion of the first floor (lobby), the second floor, the fourth through sixteenth floors, the twenty-third floor, and common areas for which LKE is billed) is based on the Number of Employees ratio as described in the Cost Allocation Manual (CAM). Charges are allocated to PPLS, LG&E, KU and LG&E and KU Capital LLC (LKC). The operation and maintenance expenses are allocated for the LG&E Center, which is based on the Number of Employees ratio as described in the CAM. Expenses are charged to LKE in equal portions over each annual period and adjusted annually. These expenses are not considered part of LKE's minimum lease payments.

### **Jointly-Used Assets**

Jointly-Used Assets are buildings and related assets such as parking lots and driveways which were originally constructed and owned by a single company (generally either LG&E or KU) but are subsequently being used by more than one company. Rent is charged to the companies benefitting from the use of the building assets by the company owning the building.

Jointly used assets include the following locations:

- Broadway Office Complex (including the Health Clinic)
- One Quality Street
- Dix Transmission Control
- LG&E Building Leasehold Improvements
- Pineville Call Center
- Morganfield
- Riverport
- East Operations Safety and Technical Training Center
- Auburndale Health Clinic
- Lexington Medical Clinic (equipment only)

In addition, the Simpsonville Data Center is a *jointly-owned* asset (by LG&E, KU and LKC) which is jointly-used by PPLS. Rent was charged to PPLS based on the terms of a specific agreement between LKS and PPLS, known as the Hosting Services Agreement until its termination on June 13, 2023, after which rent was charged based on cost per square foot, consistent with the other jointly-used facilities.

### **LKS Assets**

Certain assets (PCs and LG&E Building leasehold improvements) reside on the books of LKS and are solely owned by LKS. These assets are used by the LKS employees to aid them in the performance of their services for its affiliates, including LG&E and KU. The depreciation on these assets is initially recorded on LKS and then allocated to LG&E, KU and LKC based on the ratios as defined in the CAM.

Certain PC software assets reside on the books of PPLS and are solely owned by PPLS. These assets are used by the PPLS employees to aid them in the performance of their services for its affiliates, including LG&E and KU. The depreciation on these assets is initially recorded on PPLS and then allocated to LG&E, KU and LKC and other PPL affiliates based on the Indirect Multi-Factor Cost Allocation as defined in the CAM.

## **COSTS OF JOINTLY OWNED COMBUSTION TURBINES**

### **Simple Cycle Combustion Turbines**

LG&E and KU jointly own ten simple cycle combustion turbines (CT) located at the Paddy's Run facility, Trimble County Generating Station, and E.W. Brown facility. All operations and maintenance expenses attributable to the Paddy's Run, Trimble County, and E.W. Brown CTs are accumulated and billed according to the percentage of ownership. The percentage of ownership and megawatt capacity is listed in the table below (capacity based on net summer capability).

<b>Facility</b>	<b>MW Capacity</b>	<b>LG&amp;E</b>	<b>KU</b>
Paddy's Run 13	147	53%	47%
Trimble County 5	159	29%	71%
Trimble County 6	159	29%	71%
Trimble County 7	159	37%	63%
Trimble County 8	159	37%	63%
Trimble County 9	159	37%	63%
Trimble County 10	159	37%	63%
E.W. Brown 5	130	53%	47%
E.W. Brown 6	146	38%	62%
E.W. Brown 7	146	38%	62%

Automated allocations of costs using ownership percentages are processed in the Oracle General Ledger system and generate intercompany transactions between LG&E and KU. All transactions flow through the intercompany receivable account. The costs for the Paddy's Run and Trimble County CTs are accumulated in LG&E and transferred to KU per the ownership percentage. The costs for the E.W. Brown CTs are accumulated in KU and transferred to LG&E per the ownership percentage.

When costs are accumulated in LG&E and transferred to KU, an intercompany receivable is debited and the appropriate expense is credited. KU debits the appropriate expense account and credits an intercompany receivable. When costs are accumulated in KU and transferred to LG&E, an intercompany receivable is debited and the appropriate expense is credited. LG&E debits the appropriate expense account and credits an intercompany receivable. The amounts are then netted to establish an intercompany receivable for KU or LG&E and an intercompany payable for LG&E or KU.



Capital charges are paid by one of the utilities and allocated to the other based on percentage of ownership. Additionally, manual journal entries are prepared each month for the applicable portion of the gas used by the CTs. The journal entries split the gas cost between LG&E and KU based on the percentage of ownership.

### **Combined Cycle Gas Combustion Turbine**

In 2015, LG&E and KU completed the construction of a natural gas combined cycle (NGCC) unit at the Cane Run site owned by LG&E. This unit has a 662 MW net summer capacity and is jointly owned by LG&E (22%) and KU (78%). Capital costs of Cane Run 7 are allocated according to the 22% LG&E and 78% KU ownership split.

Automated allocations of costs using the Cane Run 7 ownership percentages are processed in the Oracle General Ledger system and generate intercompany transactions between LG&E and KU. Operation and maintenance costs are accumulated at LG&E and transferred to KU, and an intercompany receivable is debited and the appropriate expense is credited. KU debits the appropriate expense account and credits an intercompany receivable. The amounts are then netted with other intercompany transactions between LG&E and KU to establish an intercompany receivable for KU or LG&E and an intercompany payable for LG&E or KU.

## **CASH COLLECTED AND PAID BY LG&E ON BEHALF OF KU**

For the convenience of our suppliers and customers for purchased power and off system sales, and due to generating units being jointly dispatched, KU and LG&E have combined their billing and payments. This gives the appearance of one company to customers and suppliers.

Internally, sales and purchases are split between KU and LG&E and each company records its payable and receivable to the appropriate account.

As LG&E makes payments to various vendors for purchased power, the disbursement request is split into the appropriate portions applicable to each company. LG&E issues the payment through its Accounts Payable Department and bills KU for the expenditures made on behalf of KU. The Oracle General Ledger system automatically creates the intercompany payable and receivable as transactions are posted. The amount KU owes LG&E is included on the intercompany billing from LG&E.

As LG&E receives payments for power sales, the money received is split into the appropriate amounts for each company and a monthly journal entry for the cash received on behalf of KU is recorded to create a payable to KU.

As payments are received by LG&E (KU) for off system sales, some of the same customers may have sold power to LG&E (KU). For the customers' convenience, when the contract allows, the payments are netted. Netted payments are booked by each utility as the gross amount of the receivable and payable.

In addition, certain other receivables and payables which benefit both LG&E and KU are processed through only one of the companies for convenience or efficiency. The cash received and disbursement requests are split into the appropriate portions applicable to each company.

Intercompany receivables and payables are billed and settled in the month following the transactions, with the exception of some income tax settlements which are settled within the same month in which the transactions occur. See Tab 3 for a detailed description of the intercompany billing and settlement process.

Intercompany interest is calculated for these transactions that are paid/held and settled. Interest is calculated on a daily-accumulated balance of monies received and paid by LG&E on behalf of KU, and vice versa. Consistent with the Utility Money Pool Agreement, interest is calculated from the day the money is received or paid through the day of the Intercompany cash settlement. In June 2020 the FERC order (ES20-21-000) which required that the interest rate on short-term

debt not exceed the highest of the 30-day London Interbank Offered Rate (LIBOR) at the date of the issuance plus up to 200 basis points, or the Prime Rate. Using the money pool rate, interest is calculated and the Treasury Management System records the interest related to the intercompany receivable/payable. In 2023 this interest rate averaged 5.32%.

# **LG&E and KU Energy LLC**

## **Cost Allocation Manual**

Effective January 1, 2023

CAM	Cost Allocation Manual
CCS	Customer Care System
FERC	Federal Energy Regulatory Commission
HR	Human Resources
IT	Information Technology
KPSC	Kentucky Public Service Commission
KU	Kentucky Utilities Company
LG&E	Louisville Gas and Electric Company
LKC	LG&E and KU Capital LLC
LKE	LG&E and KU Energy LLC
LKE Foundation	LG&E and KU Foundation
LKS	LG&E and KU Services Company
NECO	The Narragansett Electric Company, d/b/a Rhode Island Energy
PPL	PPL Corporation
PPL&E	PPL Electric Utilities Corporation
PPL Services	PPL Services Corporation
PUHCA 2005	The Public Utility Holding Company Act of 2005
SEC	U.S. Securities and Exchange Commission
VSCC	Virginia State Corporation Commission

## Table of Contents

Executive Summary .....	4
Chapter 1 – Introduction and Goal of Manual .....	5
Chapter 2 – Corporate Organization .....	7
Chapter 3 – Transactions with Affiliates .....	10
Description of Services .....	10
LKS Operations Support – Description of Services .....	22
Chapter 4 – Cost Assignment Methods .....	27
Assignment Methods .....	27
Indirect Cost Allocation Methodology and Procedures .....	30
Cost Assignment Procedures .....	31
Chapter 5 – A Description of Assets, Services, and Products Provided by the Regulated Entity to Non- Affiliates .....	33
Chapter 6 – Time Distribution and Asset Transfer Policies .....	34
Chapter 7 – State CAM Requirements.....	36
Appendix A – National Association of Regulated Utility Commissioners Guidelines for Cost Allocations and Affiliate Transactions .....	39

**LG&E and KU Energy LLC  
Cost Allocation Manual**

**Executive Summary**

LKE is a subsidiary of PPL, which is comprised of various companies that utilize shared resources from both an operational and financial perspective. This relationship leads to a more efficient and productive final product for all stakeholders, but also requires costs to be reasonably allocated between companies in accordance with various accounting boards and regulators. Also, in order to adequately control costs and determine profitability of the companies, it is necessary to allocate to them costs incurred for their benefit as if they were stand-alone companies outside of the PPL family of companies.

The goal and purpose of this manual is to accumulate and document cost allocation and transfer pricing policies, including both those for proper accounting and cost management purposes. This manual will also be used as a cost allocation manual for the allocation of costs among LKE companies as well as documentation to support policies and procedures to any internal or external parties that review our allocation methodologies.

## **LG&E and KU Energy LLC Cost Allocation Manual**

### **Chapter 1 – Introduction and Goal of Manual**

PUHCA 2005 states that centralized service companies must maintain and make available to the FERC their books, accounts, and other records in the specific manner and preserve them for the required periods as the FERC prescribes in Title 18 Code of Federal Regulations Part 368 of the FERC Uniform System of Accounts. These records must be in sufficient detail to permit examination, audit, and verification, as necessary and appropriate for the protection of utility customers with respect to jurisdictional rates.

LKS employees provide both operational and shared service functions for LKE affiliates, principally LG&E and KU. These represent functions provided on behalf of both LG&E and KU as opposed to functions that serve only one utility. For example, all employees of LKE's transmission function are employees of LKS, whereas generation plant employees are generally employed by the utility who owns the plant.

PPL Services provides certain shared service functions on behalf of all of its affiliates. Such services are detailed in the PPL Corporation CAM. These services are not duplicative of services provided by LKS.

The purpose of this CAM is to document the methods, policies, and procedures that LKS will follow in performing certain services for affiliate companies and in receiving charges for goods and services from affiliated companies, including PPL Services, and then allocating those charges to LG&E, KU, and any other LKE affiliates, if applicable. In developing this CAM the overriding goal was to protect investors and consumers by ensuring the methods, policies and procedures contained in this CAM were PUHCA 2005 compliant so that LKS and PPL Services costs are fully segregated, and fairly and equitably allocated among the affiliate companies.

LKS was authorized to conduct business as a service company for LKE and its various subsidiaries and affiliates by order of the SEC on December 6, 2000, and commenced operations January 1, 2001. LKE is a Kentucky limited liability company and the parent of KU and LG&E. KU and LG&E are subject to the jurisdiction of and oversight by the KPSC. In addition, KU is subject to the jurisdiction of and oversight by the VSCC. PPL Services is a Delaware corporation authorized to conduct business as service companies for PPL and its various subsidiaries and affiliates, including LKE. Under Kentucky regulatory law, KU and LG&E are required to have a cost allocation manual on file with the KPSC. KU is required to have a services agreement for any affiliate transaction approved by the VSCC prior to the transaction.

Periodic changes to the CAM may be necessary due to future management decisions, changes in the law, interpretations by state or federal regulatory bodies, changes in structure or activities of affiliates, or other internal procedures.

#### **GOAL OF THE MANUAL**

To accumulate cost allocation and transfer pricing policies, including those for cost management



purposes, which will provide LKE's regulated and non-regulated businesses with a common and consistent framework to follow and document cost allocation methodologies.

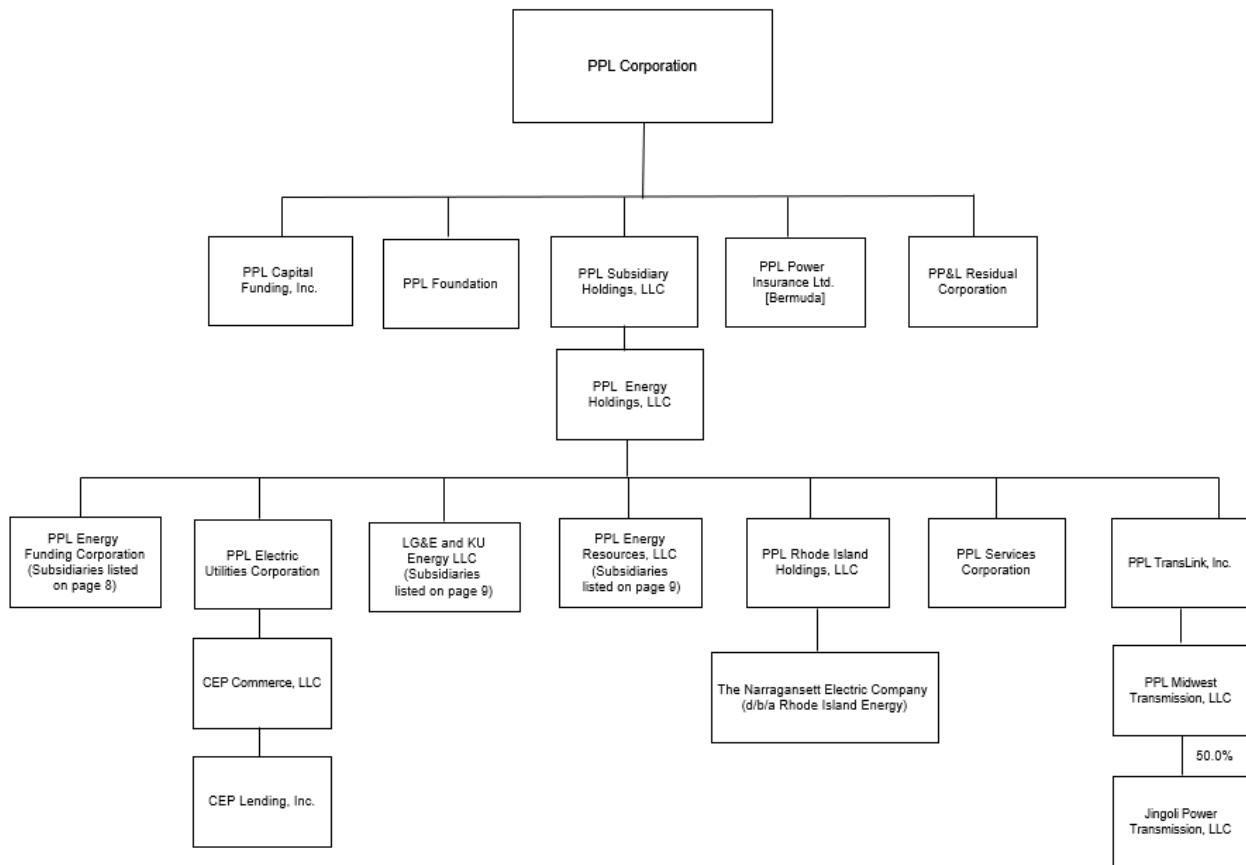
#### GUIDING PRINCIPLES OF THE MANUAL

- When reasonably possible, costs will be allocated on a direct basis.
- Allocations will not result in the subsidization of non-regulated affiliates by the regulated business.
- Services will be charged at fully distributed cost (also referred to as fully allocated cost) and in accordance with the asymmetric pricing requirements in 18 CFR § 35.44.
- This CAM's allocation of costs is guided by the NARUC Guidelines for Cost Allocations and Affiliate Transactions (attached as Appendix A).
- As long as all regulatory guidelines are met, allocations will be fair and equitable to the shareholders and customers.
- Allocation documentation will be made available to business lines, affiliates, internal and external auditors, and jurisdictional regulatory commissions as needed.

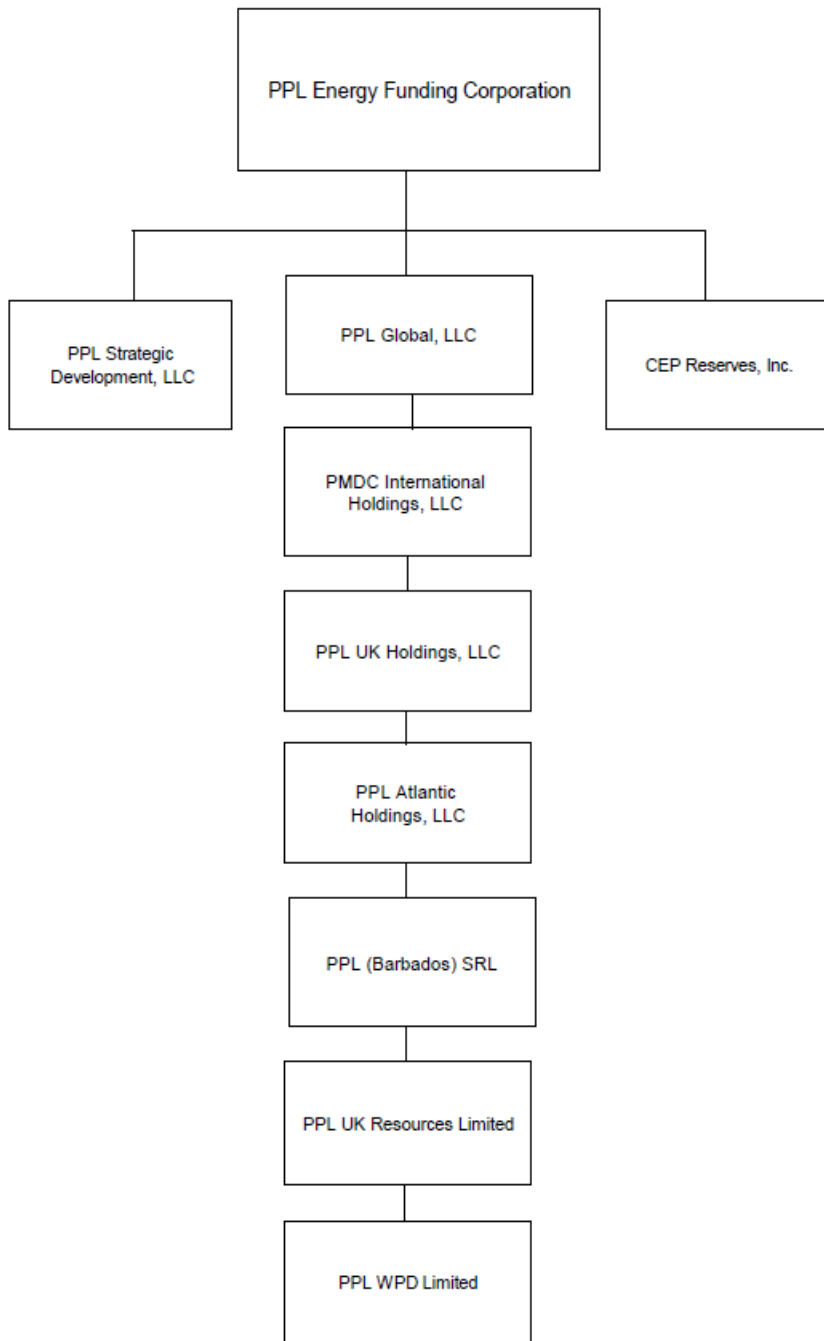
## LG&E and KU Energy LLC Cost Allocation Manual

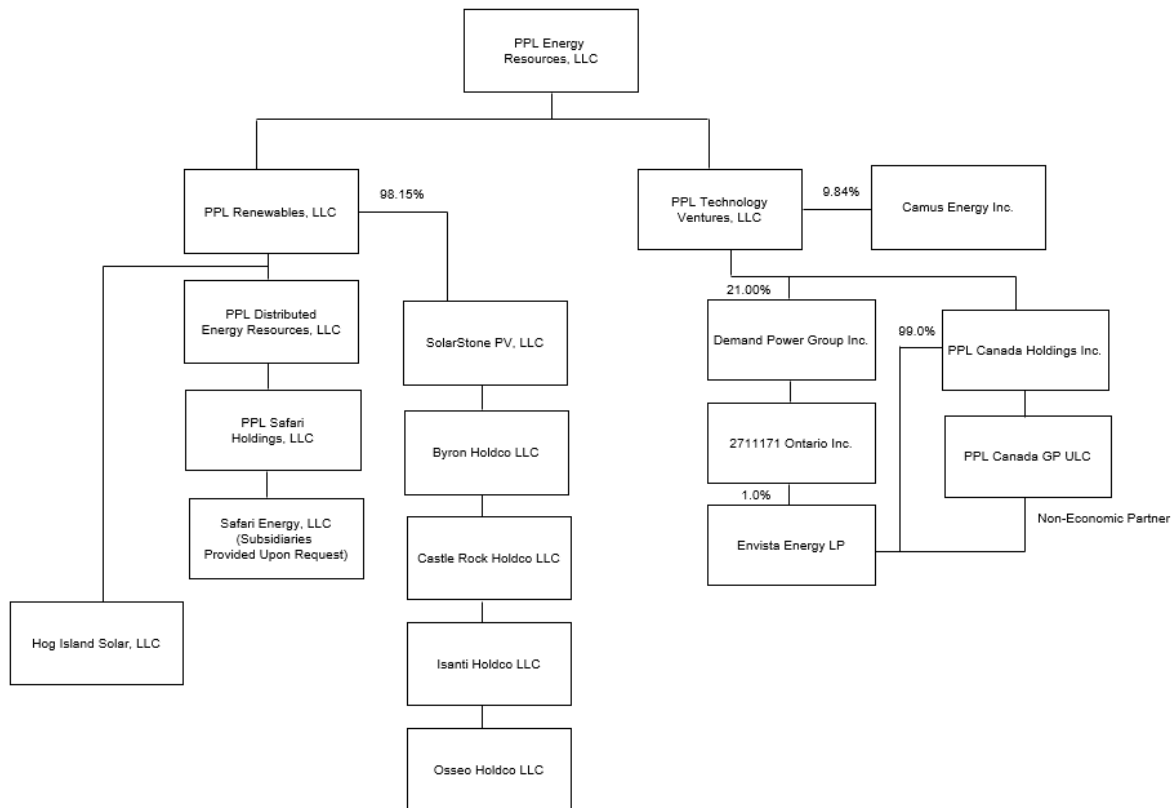
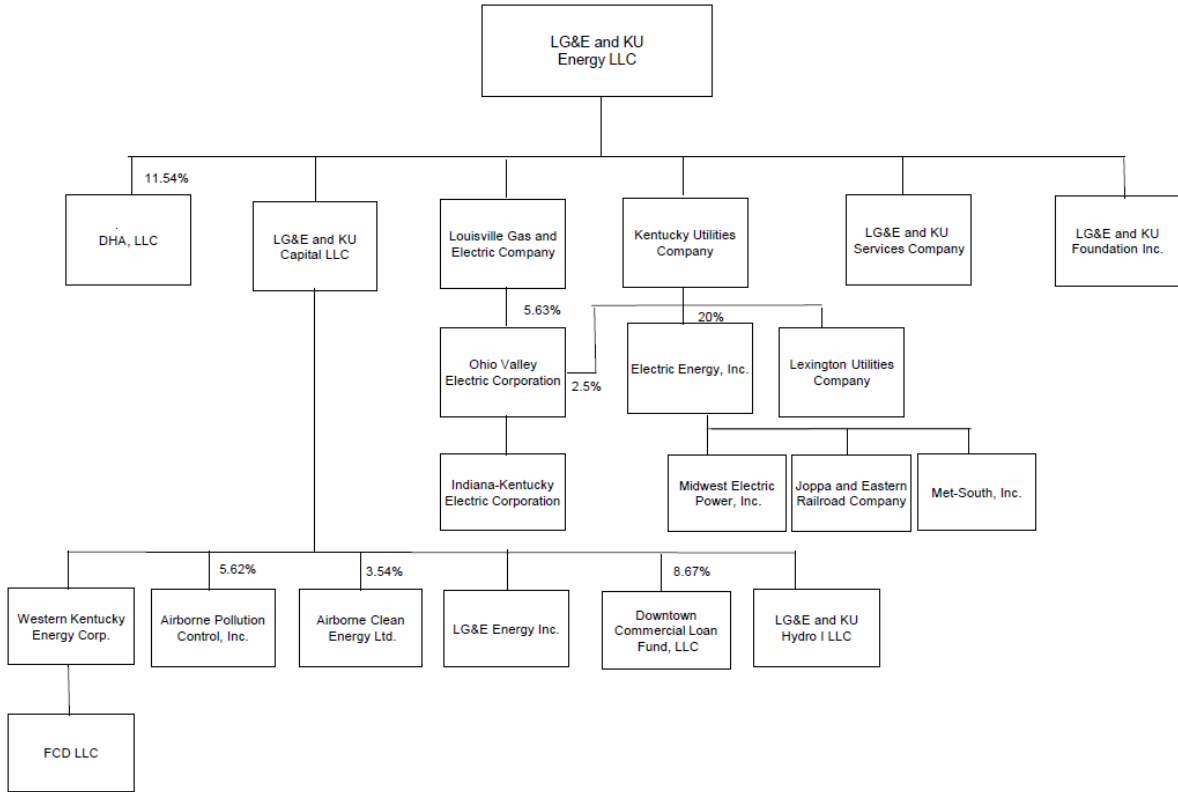
### Chapter 2 – Corporate Organization

PPL’s organization chart,<sup>1</sup> including the LKE organization chart and the entities to which PPL Services or LKS allocate charges as of September 28, 2022 is set forth in this section of the CAM.



<sup>1</sup> PPL has announced that it has reached an agreement to sell PPL Safari Holdings LLC, parent company of Safari Energy LLC. PPL expects to close the transaction in the fourth quarter of 2022. Because the transaction has not yet closed, this organization chart includes these two entities.





## **LG&E and KU Energy LLC Cost Allocation Manual**

### **Chapter 3 – Transactions with Affiliates**

LKS and PPL Services were formed as service companies to provide services for affiliated companies. LKS and PPL Services may enter into service agreements, which establish the general terms and conditions for providing those services. Services provided are detailed in this chapter.

LKS and PPL Services employees may provide services to regulated and non-regulated entities. The provisions included in contracts and service agreements govern transactions among LKS and PPL Services and their regulated and non-regulated affiliates.

Regulated affiliates receive services at cost, pursuant to the service agreements.

KU and LG&E are required by the KPSC and the VSCC to use the “stand alone” method for allocating their respective tax liabilities (or tax benefits) so that such tax liabilities (or tax benefits) will not exceed the tax liabilities (or tax benefits) each would incur if it filed its tax returns separately from the consolidated returns filed by PPL. KU and LG&E have filed a separate PPL Corporation and Subsidiaries tax allocation agreement with the KPSC and the VSCC. The allocation of the respective tax liabilities (or tax benefits) of KU and LG&E therefore are not within the scope of this CAM.

#### **Description of Services**

Centralized services provided by PPL Services include, but are not limited to, groups identified in the table below: Corporate Audit Services, Corporate Operations & Integration, Corporate Security, Enterprise Security, Financial, Human Resources, Information Technology, Office of General Counsel, Public Affairs, Supply Chain, and Corporate. These centralized services provided by PPL Services are described further in the chart below. LKS provides Financial, Public Affairs, and Corporate Services, which are described further in the chart below.

The “Assignment Method” in the chart reflects the means for allocating the cost of a particular service within the “Department/Activity” listed when the service is being performed concurrently for more than one affiliate and there is no practical means to directly assign the costs of that service to the affiliates benefiting from that service. Each Department/Activity does, however, directly assign costs for services provided to affiliates where work is being performed for a single affiliate or where it is otherwise practical. For example, the Audit Services department will directly assign costs incurred to perform an internal audit to the affiliate being audited. However, if a given audit applies to more than one affiliate, it is allocated using the Number of Operating Segments Ratio to the entities within the scope of that audit. By way of example, a gas compliance audit would be allocated to the operating segments with gas operations. See Chapter 4 for a detailed description of these cost assignment methods and ratios.

For services performed by PPL Services, the “Assignment Method” refers to both the methodology PPL Services uses to allocate costs to LKS, as well as the methodology LKS uses to allocate costs to LKE subsidiaries.

<b>Department/Activity</b>	<b>Description</b>	<b>Assignment Method</b>	<b>Provided By<sup>2</sup></b>
<b><i>Corporate Audit Services</i></b>			
Audit-SOX Testing	Conduct testing of key SOX controls and perform exposure and remediation testing for SOX deficiencies.	Directly Attributable – Number of Controls Ratio	PPL Services
SOX Compliance	Provide coordination, implementation and maintenance of the company’s program for compliance with the Sarbanes-Oxley Act of 2002.	Directly Attributable – Number of Controls Ratio	PPL Services
Auditing	Conduct operating audits and audits of accounting records and other records maintained by the company. Issue audit reports and provide recommendations for improving processes and the internal control framework.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Corporate Compliance Office	Provide various compliance services for all affiliated entities including compliance assessment and risk management, code of conduct, anti-fraud, ethics, helpline management and Critical Infrastructure Protect (“CIP”) Compliance.	Directly Attributable – Number of Employees Ratio	PPL Services
<b><i>Corporate Operations and Integration</i></b>			
Benchmarking Performance and Measurement	Provide corporate level benchmarking analysis	Indirectly Attributable	PPL Services
Corporate Performance Administration	Sets strategy and provides oversight of Corp Performance and Analytics group.	Indirectly Attributable	PPL Services
Data Analytics – Asset Management Support	Specific business line support related to improvement of capital assets and maintenance of in-services assets. This results in identification of assets to be replaced and timing of maintenance schedules and tasks.	Indirectly Attributable	PPL Services
KPI Performance & Measurement	Identifying corporate key performance indicators, setting KPI standards, and providing management analysis.	Indirectly Attributable	PPL Services
Utility Research & Development	Develop and manage an enterprise-wide R&D strategy focused on generation, electric and gas delivery.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
<b><i>Corporate Security</i></b>			
Board Services	Board travel and security.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Emergency Management/Business Continuity	Provide services related to administration and coordination of disaster recovery/business continuity plans.	Directly Attributable – Number of Employees Ratio	PPL Services
Physical Security	Provide security services related to	Directly Attributable –	PPL Services

<sup>2</sup> “Provided By” refers to the employer of the function’s leadership. Certain employees within that function may currently be employed by the other service company; however, they either directly assign their costs or utilize the “Assignment Method” as described in this CAM.

	company assets, including routine emergency services and regulatory compliance.	Number of Employees Ratio	
Corporate Security Administration	Oversight of the corporate security department.	Directly Attributable – Number of Employees Ratio	PPL Services
Protective Services	Provide security-related services to employees, including conducting personal risk assessments, background checks and investigation.	Directly Attributable – Number of Employees Ratio	PPL Services
<b><i>Enterprise Security</i></b>			
Cyber Security Risk Management	Services associated with setting cybersecurity strategy, providing security risk management governance and oversight of security controls in the first line of defense, and support and facilitation of risk management activities across the enterprise. This function includes services associated with risk quantification and executive metrics, global cybersecurity policies, cyber hunting/active defense, assessing security posture/maturity, and real time visibility and monitoring of subsidiary cyber hygiene.	Directly Attributable – Number of Network Users Ratio	PPL Services
<b><i>Executive Management Services</i></b>			
Chief Operating Officer	Provide executive oversight of the operations of LG&E and KU.	Directly Attributable – Number of Operating Segments Ratio	LKS
Office of the President	Provide executive oversight of LKE and its affiliates.	Indirectly Attributable	LKS
<b><i>Financial</i></b>			
Asset Accounting	Maintain, analyze, and report on property records.	Directly Attributable - Total Utility Plant Assets Ratio	LKS
Audit/PCAOB Fees	Corporate audit or PCAOB fees incurred.	Directly Attributable – Book Enterprise Value Ratio	PPL Services
Billing	Billing for miscellaneous transactions.	Directly Attributable – Number of Items Processed Ratio	LKS
Budgeting	Provide services related to managing, coordinating, and reporting for the budgeting and forecasting process.	Directly Attributable - Transmission Ratio, - Generation Ratio, - Number of Customers Ratio; Indirectly Attributable	LKS PPL Services
Cash Management	Manage the daily financing and short-term liquidity needs for the company.	Directly Attributable – Number of Operating Segments	PPL Services

		Ratio	
Chief Financial Officer	Executive responsibility for financial actions of the company. Includes responsibility for accounting, treasury, financial planning, tax, risk management and investor relations functions.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Compensation and Benefits Accounting	Provide services relating to the establishment and oversight of compensation for employees. Also, provide services relating to the establishment and oversight of benefits plans for employees, retirees and survivors.	Directly Attributable – Number of Employees Ratio	PPL Services
Corporate Accounting	Provide accounting services in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and the FERC Uniform System of Accounts (USofA), performing U.S. GAAP general ledger account analyses, reconciliations, and consolidations and business and financial system support consultation.	Indirectly Attributable	PPL Services
Financial Reporting	Provide accounting and reporting in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and the FERC Uniform System of Accounts (USofA), accounting research and interpretation and promulgation of accounting and internal control procedures, and external financial reports	Directly Attributable –Number of Operating Segments Ratio	PPL Services
Financial Planning	Provide services related to managing, coordinating, and reporting for the forecasting process.	Directly Attributable – Number of Operating Segments Ratio	LKS PPL Services
Financings	Provide support for the company's credit, investing and financing activities and borrowings.	Directly Attributable – Book Enterprise Value Ratio	PPL Services
Insurance Services – General	Provide overall support for managing the insurance process.	Directly Attributable – Insurance Policies Ratio	PPL Services
Internal Reporting	Provide internal financial reporting.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Investor Relations	Provide support for handling the company's shareholders and investors meetings and questions.	Directly Attributable – Book Enterprise Value Ratio	PPL Services
Investor Services Fees	Manage fees paid to transfer agent for investor services activity.	Directly Attributable – Book Enterprise Value Ratio	PPL Services
Payroll	Provide services relating to payroll	Directly Attributable	LKS



	and time reporting, including the administration of payroll systems.	- Number of Employees Ratio	
Pensions – Domestic Only	Provide pension services for domestic companies only.	Directly Attributable – Plan Assets Ratio; Number of Plan Participants Ratio	PPL Services
Pensions – PA Only	Provide pension services for Pennsylvania-based companies only.	Directly Attributable – Number of Plan Participants Ratio	PPL Services
Rating Agencies	Manage the company’s credit rating through Moody’s and S&P.	Directly Attributable – Book Enterprise Value Ratio	PPL Services
Regulatory Accounting	Provide accounting services in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and the FERC Uniform System of Accounts (USofA) to support the Regulated Operating Entities. This includes the preparation of journal entries, account reconciliations and the performance of applicable SOX controls. Provides support for SEC, FERC, State Utility Commissions, and internal reporting as required to support applicable filings, reports, rates, interrogatories, etc.	Directly Attributable – Number of Operating Segments Ratio	LKS
Remittance Processing	Provide remittance processing, customer payments, and collection services.	Directly Attributable – Number of Items Processed Ratio	PPL Services
Revenue Accounting	Manage and analyze internal and external revenue reporting.	Directly Attributable – Revenue Ratio	LKS
Risk Strategy	Manage and assess risk within the organizations including liability risks, claims, security, environmental and safety.	Indirectly Attributable	PPL Services
Tax Services	Prepare consolidated and subsidiary federal, state and local income tax returns; current and deferred tax accounting; utility gross receipts tax; sales/use tax; project development. Provide corporate income tax compliance, budgeting and forecasting, including tax legislation.	Indirectly Attributable	PPL Services
Technical Accounting	Provide accounting and reporting in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and the FERC Uniform System of Accounts (USofA), accounting research and interpretation and promulgation of accounting and internal control procedures, and external financial reports.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Treasury Controls	Manage controls around the files sent to and from the bank daily, receipt disbursements, bank reconciliations, and	Indirectly Attributable	PPL Services

	legal compliances.		
Utility Regulatory Reporting	Provide reporting services for the various regulatory agencies.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Vendor Servicing	Process payments to vendors for the company.	Directly Attributable – Number of Items Processed Ratio	PPL Services
VP Finance and Accounting	Provide executive oversight of accounting, budgeting, and payroll for LKE and its affiliates.	Indirectly Attributable	LKS
<b>Human Resources</b>			
Board Services	Board member fees and expenses.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Corporate Compensation and Benefits Services	Provide compensation and benefit services to non-executive employees. This also includes retirement plan services for employees and retirees eligible in the plan.	Directly Attributable – Number of Employees Ratio	PPL Services
Diversity, Equity & Inclusion	Provide services to help attract and retain a high-performing, diverse workforce and maintain a culture of equity and inclusion.	Directly Attributable – Number of Employees Ratio	PPL Services
Employee Benefits	Provide services relating to the establishment and oversight of benefit plans for employees, retirees and survivors. This also includes vendor management, compliance with various laws and regulations, administrative vendor billings and maintenance of all personnel records.	Directly Attributable – Number of Employees Ratio	PPL Services
Employee Communications	Provide services related to administration of PPL Corp employee survey.	Directly Attributable – Number of Employees Ratio	PPL Services
Employee Compensation	Provide services relating to the establishment and oversight of compensation policies for employees.	Directly Attributable – Number of Employees Ratio	PPL Services
Employee Engagement Services	Perform activities measuring level of employee satisfaction of Corporate Services organization.	Directly Attributable – Number of Employees Ratio	PPL Services
Health Services	Provide services relating to the establishment and oversight of health services policies, procedures and forms for employees.	Directly Attributable – Number of Employees Ratio	PPL Services
Human Resources Benchmarking	Provide services to measure processes, practices and results for comparison to improve performance.	Directly Attributable - Number of Employees Ratio	PPL Services
Human Resources Compliance	Provide services that define policies and procedures that meet applicable laws and regulations.	Directly Attributable – Number of Employees Ratio	PPL Services
Human Resources Business Partners	Provides consultation and coaching regarding human resource and organizational issues, HR planning, recruitment and selection support and	Directly Attributable – Number of Employees Ratio	PPL Services

	employee relations support.		
Human Resources Information Operations	Provide support for implementing and maintaining information system access, configuration and operation.	Directly Attributable – Number of Employees Ratio	PPL Services
Labor Relations	Provide communication and oversight for union matters, negotiation of union contracts and union dispute resolution services.	Directly Attributable – Number of Employees Ratio	PPL Services
Organization Development & Effectiveness	Provide services including succession planning, organizational planning and change management.	Directly Attributable – Number of Employees Ratio	PPL Services
Talent Acquisition Services	Provide services related to the marketing, finding, and acquiring of prospective candidates for available job opportunities.	Directly Attributable – Number of Employees Ratio	PPL Services
Talent Management and D&I Services	Provide training services for PPL Corp employees attending leadership classes and administering Pennsylvania business resource group activities.	Directly Attributable – Number of Employees Ratio	PPL Services
Training & Development	Provide general training costs to employees. Costs for specific training are charged to the appropriate activity. For example, costs for compensation and benefits training would be charged to that activity rather than general training.	Directly Attributable – Number of Employees Ratio	PPL Services
University Relations	Provide support for hiring interns, college relationship building and college career fairs.	Directly Attributable – Number of Employees Ratio	PPL Services
<b>Information Technology</b>			
Cybersecurity	Provide IT Services related to Cyber Risk and Compliance, Identity and Access Management, Security Architecture, Security Operations, Risk Mitigation and Management, Prevention and Detection Systems. This service includes developing and administering security policies and procedures, awareness & training, vulnerability management, incident response, as well as production support and maintenance of existing systems and implementation and management of IT processes to ensure stability and existing systems and infrastructure. This function includes development, implementation, and on-going compliance activities for the NERC Critical Infrastructure Protection (“CIP”) Program.	Directly Attributable - Number of Network Users Ratio	PPL Services
IT-Accounting, Finance and Compliance	Provide services to manage, coordinate and report the IT budgeting and forecasting process, implement corporate financial processes and ensure compliance.	Directly Attributable – Number of Network Users Ratio	PPL Services
IT Data & Analytics	Provide IT services related to data analytics platform architecture, data engineering	Directly Attributable – Number of Network	PPL Services

	development, data and content governance, analytics enablement, enterprise data warehouse and master data management and data quality. Provide services associated with maintaining data and content management platforms, corresponding tooling and developing standards and processes for data and content governance and analytics solutions. This function includes delivery of data, reporting & analytics capabilities, including descriptive, predictive, statistical modeling and artificial intelligence.	Users Ratio	
IT Design	Provide IT services related to Experience Design and Research and Strategy to support existing product teams in the implementation and deployment of new technologies	Directly Attributable - Number of Network Users	PPL Services
IT Engineering & Platform Architecture	Provide application development, RPA, automation, platform engineering, and architectural guidance and support for the IT Product Portfolio. Also responsible for overseeing the Managed Services Providers for the IT Products.	Directly Attributable - Number of Network Users Ratio	PPL Services
IT Infrastructure and Operations	Provide services related to the corporate-wide shared computing infrastructure, including servers, storage, and data center operations including cloud contracts. Provide services related to all corporate-wide network capabilities including wide area transport networks, local area networks, wireless networks, telephone systems, telecommunications for SCADA and two-way radio systems. Provide services related to a number of enterprise applications including e-mail, SharePoint, instant messaging and others. This function includes the operations of the NERC Critical Infrastructure Protection (CIP) Program.	Directly Attributable - Number of Network Users Ratio	PPL Services
IT Integration and Strategic Projects	Provide services including change management/work management, project management, and oversight of integration and strategic projects.	Directly Attributable - Number of Network Users Ratio	PPL Services
IT Product	Provide IT services that identify end user needs, defining product portfolio & roadmap, and ensuring distinctive user experience across portfolios. Provide services including business relationship management, project management,		

	requirements, process management, and planning.		
	Advanced Metering Infrastructure	Provide services for technology required for the implementation of advanced, digital meters.	Directly Attributable - Number of Meters Ratio PPL Services
	Customer Operations	Provide services to optimize the end-to-end customer experience for core customer journeys by optimizing and encouraging adoption of digital channels and streamlining internal processes, supporting back-office processes. Focusing on areas such as customer content, communication, self-service, meter to cash (metering, billing, payments, revenue management, customer information management)	Directly Attributable - Number of Customers Ratio PPL Services
	Employee Experience & Enterprise Enablement	Provide services to digitally enable employee lifecycle experiences to keep our experts engaged, healthy, and focused on high value activities. Focusing on content management - communications, core human benefits management, learning and development, payroll and time management, recruitment, onboarding, performance management, and	Directly Attributable - Number of Network Users Ratio PPL Services

		labor relations.		
	Field Operations	Provide services to optimize the initiation, planning / scheduling and execution of field work for Distribution, Transmission and Gas operations jobs through the use of automation, AI, and other technologies to improve efficiency, storm response, and asset data quality. Focusing on areas such as work initiation, scheduling/planning, dispatch, field mobility, storm response, vegetation management, leak response, and supply chain management.	Directly Attributable - Number of Customers Ratio	PPL Services
	Financial Operations	Provide services to enhance core financial activities through the use of technology to help the organization plan efficiently and effectively, manage its financial position and risk, and execute transactions efficiently. Focusing on general ledger, financial reporting, management reporting, budgeting, financial planning, treasury and cash management, core accounting, and other corporate functions such as legal and facilities.	Directly Attributable - Number of Network Users Ratio	PPL Services
	Generation	Optimize generation operations through the use of digital and	Directly Attributable - Number of Customers Ratio	PPL Services

		analytical tools to improve decision-making and run the assets at the right time at the lowest cost possible. Focusing on load forecasting, generation planning, plant asset management, and work management.		
	Grid and Pipeline Innovation	Provide services to manage and optimize energy flow across the grid, maximizing throughput and enabling distributed capabilities.	Directly Attributable - Total Assets Ratio (T, D & G Only)	PPL Services
	Operations	This function enables the strategic operations of the Product organization through governance, digital training, agile processes, and analytics.	Directly Attributable - Number of Network Users Ratio	PPL Services
<b>Office of General Counsel</b>				
Annual Meeting/Proxy	Legal services and Corporate Communications costs to manage the annual meeting and printing of the Proxy and Annual Report.		Directly Attributable – Number of Operating Segments Ratio	PPL Services
Board Services	Board member fees and expenses.		Directly Attributable – Number of Operating Segments Ratio	PPL Services
Corporate – FERC Electric Related	Legal services related to PPL Corporate FERC electric related matters.		Directly Attributable – Number of Operating Segments Ratio	PPL Services
Corporate – Federal Gas Related	Legal services related to PPL Corporate federal gas related matters.		Directly Attributable – Number of Operating Segments Ratio	PPL Services
Corporate Compliance Office	Provide various compliance services for all affiliated entities including compliance assessment and risk management, code of conduct, anti-fraud, ethics, helpline management and CIP Compliance.		Directly Attributable – Number of Employees Ratio	PPL Services
Corporate External and Public Affairs	Legal services related to support of lobbying efforts managed by Public Affairs.		Directly Attributable - Rate Base Ratio; Indirectly Attributable	PPL Services
General Corporate	Legal services related to corporate.		Indirectly Attributable	PPL Services
Office Expenses	Legal department administrative support		Indirectly Attributable	PPL Services

	expenses including wages, travel, subscriptions, training, etc. not specifically identified to a business line or activity.		
Pensions – PA & KY	Legal expenses related to the pension plans in PA and KY.	Directly Attributable – Number of Plan Participants Ratio	PPL Services
SVP, General Counsel, Corporate Secretary & Chief Legal Officer	Executive responsibility for legal services and compliance services.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
<b>Public Affairs</b>			
Annual Meeting/Proxy	Legal services and Corporate Communications costs to manage the annual meeting and printing of the Proxy and Annual Report.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Board Services	Board member fees and expenses.	Directly Attributable – Number of Operating Segments Ratio	PPL Services
Community Relations	Provide community relations functions.	Directly Attributable - Number of Customers Ratio	LKS
External Affairs – KY/VA	Maintaining relationships with KY/VA government policy makers and conducting lobbying activities.	Directly Attributable - Number of Customers Ratio	LKS
External Communications – KY/VA	Provide all administrative and management support for external communication services.	Directly Attributable - Number of Customers Ratio	LKS PPL Services
General Corporate	Services related to corporate governance and securities.	Indirectly Attributable	PPL Services
Internal Communications – KY/VA	Provide employee and customer-directed communications including company intranet/internet, employee newsletters, announcements, speeches, graphic design, and presentations.	Directly Attributable - Number of Employees Ratio	LKS PPL Services
Public Affairs and Corporate Communications Administration	Administrative management of Corporate Communications and Public Affairs.	Indirectly Attributable	PPL Services
Sustainability	Provide oversight of corporate sustainability initiatives for all operating companies.	Directly Attributable – Book Enterprise Value	PPL Services
Utility Lobbying – Gas	Federal lobbying for utility gas matters.	Directly Attributable – Rate Base Ratio	PPL Services
Utility Lobbying - Federal	Federal lobbying for matters impacting all operating companies.	Indirectly Attributable	PPL Services
Utility Lobbying - Transmission	Federal lobbying for utility transmission matters.	Directly Attributable – Rate Base Ratio	PPL Services
<b>Supply Chain</b>			
Supply Chain	Provide maintenance and analysis of the supplier base and performing supplier selection activities including contract negotiations and ongoing compliance.	Directly Attributable – Total Spend Ratio	PPL Services



	Provide order management and general field support services for system maintenance, developing and monitoring of key performance metrics, supplying day to day variance and reconciliation reporting services and performing supplier certification services. Identify qualified minority and women owned businesses that are able to participate in competitive bidding opportunities.		
<b>Corporate</b>			
Administrative Support	Administrative support provided across multiple functions and areas where a single allocation ratio or blend of allocation ratios is not feasible.	Indirectly Attributable	PPL Services LKS
Depreciation	Depreciation recorded over the estimated useful life of property owned by the services companies.	Indirectly Attributable	LKS PPL Services
Facilities Charge	Charge for use of facility space utilized by PPL Services employees.	Directly Attributable – Number of Operating Segments Ratio	PPL Services

### **LKS Operations Support – Description of Services**

LKS Operations Support employees from each department are provided cost collecting numbers allowing them to positive time report for specific projects as well as specific business lines and operating companies they are supporting where appropriate. Remaining department costs are then allocated based on one of the prescribed methods listed below. These services identified in the chart below with green headings are provided to Kentucky or Virginia affiliates.

<b><i>Department/Activity</i></b>	<b><i>Description</i></b>	<b><i>Assignment Method</i></b>	<b><i>Provided By</i></b>
<b><i>Customer Services</i></b>			
Advanced Metering Support	Implement advanced meters and provide support to advanced meter functions.	Directly Attributable - Number of Meters Ratio	LKS
Billing Integrity	Administer and provide customer billings and credit reviews.	Directly Attributable - Number of Customers Ratio	LKS
Customer Service	Provide call center and customer communication services for both electric and gas customers.	Directly Attributable - Number of Customers Ratio	LKS
Customer Service Business Analysis	Provide business process improvements, operational performance measures, benchmarking studies, and rate case analysis for all of Customer Service.	Directly Attributable - Number of Customers Ratio	LKS
Economic Development and Major Accounts	Maintain community development, partnerships with state, regional, and local economic development allies, and customized products and services.	Directly Attributable - Number of Customers Ratio	LKS
Energy Efficiency	Provide energy efficiency programs to	Directly Attributable -	LKS

	residential and commercial customers to encourage implementation of energy saving measures.	Number of Customers Ratio	
Executive Management Services	Provide executive oversight for LG&E and KU customer services operations.	Number of Customers Ratio	LKS
Field Services	Complete customer requested service orders for electric and gas distribution. Support Meter Shop activities and Public Safety Response Team needs.	Directly Attributable - Total Utility Plant Assets Ratio	LKS
Meter Reading Services	Provide meter reading and meter data services, including maintaining inventory, quality and environmental issues, policy and standards, technical support, and logistics.	Directly Attributable - Number of Meters Ratio	LKS
Remittance Processing	Provide remittance processing, customer payments, and collection services.	Directly Attributable - Number of Items Processed Ratio	LKS
Sales and Marketing	Provide programs for establishing strategies, oversight for marketing, sales and branding of utility and related services, and conduct marketing and sales programs for economic development and demand side management.	Directly Attributable - Number of Customers Ratio	LKS
Retail Business System Strategy and Learning	Provide end user support services, development and capture of business metrics and development, and delivery of training for the Company's Customer Care System.	Directly Attributable - Number of Customers Ratio	LKS
<b>Distribution Operations</b>			
Distribution Asset Management	Lead management and investment decisions regarding distribution assets, including resource allocation, developing uniform standards and procedures, determining performance targets, and managing asset data.	Directly Attributable - Total Utility Plant Assets Ratio	LKS
Electric Engineering	Provide development engineering and construction standards, distribution system planning and analysis, substation construction project management, and telecommunications systems design and analyses.	Directly Attributable - Total Utility Plant Assets Ratio	LKS
Electric Reliability/Analysis	Provide reliability engineering for operation centers, data analytics, support of distribution information technology applications, and mapping services.	Directly Attributable - Total Utility Plant Assets Ratio	LKS
Executive Management Services	Provide executive oversight for LG&E and KU distribution operations.	Directly Attributable - Total Utility Plant Assets Ratio	LKS
Forestry	Provide vegetation and tree management.	Directly Attributable - Total Utility Plant Assets Ratio	LKS

Network Trouble and Dispatch	Provide dispatch services, report outage situations and coordinate restoration.	Directly Attributable - Number of Customers Ratio	LKS
Substation Construction and Maintenance	Provide engineering and design services for substation construction, maintenance, and operations areas.	Directly Attributable - Total Utility Plant Assets Ratio	LKS
<b><i>Energy Supply and Analysis</i></b>			
Energy Marketing	Provide market services to take advantage of the highest excess generation prices in the open market.	Directly Attributable - Generation Ratio	LKS
Executive Management Services	Provide executive oversight for LG&E and KU Energy Supply and Analysis operations.	Directly Attributable - Generation Ratio	LKS
Fuel Procurement	Procure coal, natural gas, oil and other bulk materials for generation facilities and ensuring compliance with price and quality provisions of fuel contracts.	Directly Attributable - Contract Ratio	LKS
Generation Planning and Analysis	Provide short- and long-term generation planning services.	Directly Attributable - Generation Ratio	LKS
Load Forecasting	Provide short- and long-term load forecasting services.	Directly Attributable - Generation Ratio	LKS
Market Forecasting	Provide management services for financial forecasts of the utility market.	Directly Attributable - Generation Ratio	LKS
<b><i>Environmental</i></b>			
Environmental Affairs	Provide management services related to performing analyses, monitoring and advocacy of regulatory and legislative environmental matters including securing of permits and approvals, providing environmental technical expertise, environmental compliance and representing the Company in industry groups and before regulatory agencies dealing with environmental issues.	Directly Attributable - Generation Ratio	LKS
<b><i>Operating Services</i></b>			
Building Operations	Support operations and maintenance activities for company facilities.	Directly Attributable - Facilities Ratio, Transmission Ratio, Generation Ratio	LKS
Document Services	Provide document printing, reproduction services including mail delivery, scanning, off-site storage, and document service desk support.	Directly Attributable - Number of Employees Ratio	LKS
Facilities Management	Facilities leadership support expenses not specifically identified to a building or project.	Directly Attributable - Number of Employees Ratio	LKS
Production Mail	Provide production mail services for customer bills and other large customer mailings.	Directly Attributable - Number of Customers Ratio	LKS
Real Estate and Right-	Obtain and retain easements or fee simple	Directly Attributable -	LKS

of-Way	property for placement and operation of company and affiliate equipment, as well as manage real estate assets and maintain real estate records.	Number of Customers Ratio	
<b><i>Power Production and Generation</i></b>			
Executive Management Services	Provide executive oversight for LG&E and KU generation operations.	Directly Attributable – Total Utility Plant Assets Ratio	LKS
Generation	Provide centralized, fleet-wide technical expertise, generation asset management, technical guidance for various functional initiatives, and coordination of operational research and development.	Directly Attributable - Total Utility Plant Assets Ratio, Generation Ratio	LKS
Generation Services	Provide management services and oversight to Power Generation.	Directly Attributable - Total Utility Plant Assets Ratio; Generation Ratio	LKS
Project Engineering	Coordinate and manage all major generation construction.	Directly Attributable - Generation Ratio	LKS
System Laboratory	Provide system laboratory services to the generating stations	Directly Attributable - Total Utility Plant Assets Ratio	LKS
<b><i>Regulatory Affairs and Governmental Affairs Management Services</i></b>			
State Regulation and Rates	Provide services for compliance with regulatory requirements, including regulatory filings, expert testimony, tariff administration and compliance, development of cost of service and revenue requirement studies, and development and monitoring of positions regarding ongoing regulatory matters.	Directly Attributable - Number of Customers Ratio	LKS
<b><i>Safety and Technical Training</i></b>			
Safety and Technical Training	Provide safety governance and technical training to company operations areas.	Directly Attributable - Number of Employees Ratio, Generation Ratio, Total Utility Plant Assets Ratio, Transmission Ratio	LKS
<b><i>Transmission Operations &amp; Services</i></b>			
Executive Management Services	Provide executive oversight for LG&E and KU transmission operations.	Directly Attributable - Transmission Ratio	LKS
Operations and Construction	Coordinate and manage all maintenance and capital upgrades to transmission substations. Coordinate and manage all maintenance and capital upgrades to the transmission lines. Provide transmission system control center services. Manage and maintain the Energy Management System. Coordinate and manage the balance between scheduled transmission usage and actual transmission usage by other companies.	Directly Attributable - Transmission Ratio, Total Utility Plant Assets Ratio	LKS
Reliability and	Ensure that the Transmission Department is	Directly Attributable -	LKS

Compliance	complying with all applicable regulatory standards.	Transmission Ratio	
Strategy, Reliability and Tariffs	Provide transmission system reliability planning and identify current and future upgrades that are needed to maintain reliability. Provide facility ratings, drawings, and reliability metrics. Coordinate and manage transmission tariffs and agreements with outside parties for use of the transmission system.	Directly Attributable - Transmission Ratio	LKS
<b>Transportation</b>			
Transportation	Provide and operate transportation fleet for all affiliated companies including developing fleet policy, administering regulatory compliance programs, managing repair and maintenance of vehicles, and procuring vehicles.	Directly Attributable - Total Utility Plant Assets Ratio, Vehicle Cost Allocation Ratio	LKS

## LG&E and KU Energy LLC Cost Allocation Manual

### Chapter 4 – Cost Assignment Methods

The cost of services provided by LKS and PPL Services will be directly assigned, distributed, or allocated by activity, project/sub-project, FERC account, customer segment, program, work order, or another appropriate basis. The primary basis for charges to affiliates is the direct charge method. The methodologies listed below pertain to all other costs which are not directly assigned but which make up the fully distributed cost of providing the service.

***Directly Assignable*** – Expenses incurred for activities and services exclusively for the benefit of one affiliate.

***Directly Attributable*** – Expenses incurred for activities and services that benefit more than one affiliate and which can be apportioned using direct measures of costs causation.

***Indirectly Attributable*** – Expenses incurred for activities and services that benefit more than one affiliate and which can be apportioned using general measures of cost causation.

***Unattributable*** – Expenses or portions thereof incurred for activities and services that have been determined as not appropriate for apportionment.

#### **Assignment Methods**

LKS and PPL Services will allocate the costs of service among the affiliated companies using one of several methods that most accurately distributes the costs. The method of cost allocation varies based on the department rendering the service. Any of the methods may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes in the business. Rates are generally determined annually, semi-annually or monthly (based upon actual usage).

The assignment methods used by LKS and PPL Services are as follows:

**Book Enterprise Value Ratio** – This ratio is calculated based on book enterprise value. The ratio is calculated on an annual basis.

**Contract Ratio** – This ratio is based on the sum of the physical amount (i.e., tons of coal, mmbtu of natural gas) of the contract for coal and natural gas fuel burned for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Departmental Charge Ratio** – A specific department ratio based upon various factors. The departmental charge ratio typically applies to directly attributable costs such as departmental administrative, support, or material and supply costs, or a combination thereof, that benefit more than one affiliate and that require allocation using general measures of cost causation. Methods for assignment are department-specific depending on the type of service performed and are

documented and monitored by the Budget Analysts for each department. The numerator and denominator vary by department. The ratio is based upon various factors such as labor hours, labor dollars, departmental or entity headcount, capital expenditures, operations and maintenance costs, retail energy sales, charitable contributions, generating plant sites, average allocation of direct reports, net book value of utility plant, total line of business assets, electric capital expenditures, substation assets and transformer assets. The Departmental Charge Ratio may only be used with the prior approval by the Vice President, Finance and Accounting and where other applicable ratios would not result in the fair assignment of costs. These ratios are calculated on an annual basis.

**Facilities Ratio** – This ratio is based on a two-tiered approach with one tier based on the number of employees by department or line of business and the other tier based on the applicable department or line of business ratio. The numerator for the number of employees is the number of employees by department or line of business at the facility and the denominator is the total employees at the facility. The numerator and denominator for the applicable department or line of business for the service provided as described in this document.

**Generation Ratio** – This ratio is based on the annual forecast of megawatt hours, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Insurance Policies Ratio** – This ratio is based upon a composite percentage of individual insurance policies. This ratio is calculated on an annual basis.

**Number of Controls Ratio** – This ratio is based on the number of SOX controls. The ratio is calculated on an annual basis.

**Number of Customers Ratio** – This ratio is based on the number of retail electric and/or gas customers at year-end for the preceding year. This ratio is updated on an annual basis.

**Number of Employees Ratio** – This ratio is based on the number of employees benefiting from the performance of a service. The LKS portion will be allocated to other affiliates by the ratio of LKS labor hours charged to total LKS labor hours. This ratio is calculated on an annual basis.

**Number of Items Processed Ratio** – This ratio is based on the number of items processed. This ratio is updated on a monthly basis, based upon actual usage.

**Number of Meters Ratio** – Based on number of meters for each affiliate. This ratio is calculated on an annual basis.

**Number of Network Users Ratio** – This ratio is based upon the number of total IT network users at year-end for the preceding year. The LKS portion will be allocated to other affiliates by the ratio of LKS labor hours charged to total LKS labor hours. This ratio is updated on an annual basis.

**Number of Operating Segments Ratio** – This ratio is based on the number of applicable operating segments covered by PPL. For services provided by LKS, the operating segments are limited to LG&E and KU. This ratio is calculated on an annual basis.

**Number of Plan Participants Ratio** – This ratio is based upon the number of participants in the pension plan. This ratio is updated semi-annually.

**Ownership Percentages** – This ratio is based on the contractual ownership percentages of jointly-owned generating units, information technology, facilities and other capital projects. This ratio is updated as a result of a new jointly-owned capital projects and is based on the benefit to the respective company. The numerator is the specific company’s forecasted usage. The denominator is the total forecasted usage of all respective companies.

**Plan Assets Ratio** – This ratio is based upon the split of plan assets in the pension. This ratio is updated semi-annually.

**Rate Base Ratio** – This ratio is based upon applicable rate base per entity at year-end for the preceding year. This ratio is updated on an annual basis.

**Revenue Ratio** – This ratio is based on the sum of the revenue for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Statement of Values Ratio** – This ratio is based on the insured value of property for each affiliate. This ratio is updated on an annual basis.

**Total Assets Ratio** – This ratio is based upon the total assets at year-end for the preceding year. This ratio is updated on an annual basis.

**Total Spend Ratio** – This ratio is based upon total O&M and capital spend per entity at year-end for the preceding year. This ratio is updated on an annual basis.

**Total Utility Plant Assets Ratio** – This ratio is based on the total utility plant assets at year-end for the preceding year, the numerator of which is for an operating company and the denominator of which is for all operating companies. In the event of joint ownership of a specific asset, ownership percentages are utilized to assign costs. This ratio is calculated on an annual basis.

**Transmission Ratio** –The Transmission Coordination Agreement (“TCA”) provides “the contractual basis for the coordinated planning, operation, and maintenance of the combined” LG&E and KU transmission system. Pursuant to the terms of the TCA, LG&E/KU “operate their transmission systems as a single control area.” The TCA establishes cost and revenue allocations between LG&E and KU. The Transmission Ratio is based upon Schedule A (Allocation of Operating Expenses of the Transmission System Operator) of the TCA. Transmission System Operator Company allocation percentages are calculated during June of each year to be effective July 1st of each year using the previous year’s summation of the Transmission Peak Demands as found in FERC Form 1 for KU and LG&E, page 400, line 17(b).

**Vehicle Cost Allocation Ratio** – Based on the costs associated with providing and operating transportation fleet for all affiliated companies including developing fleet policy, administering regulatory compliance programs, managing repair and maintenance of vehicles and procuring vehicles. Such rates are applied based on the specific equipment employment and the measured



usage of services by the various company entities. This ratio is calculated monthly based on the actual transportation charges from the previous month. The numerator is the department labor charged to a specific company. The denominator is the total labor costs for the specific department. The ratio is then multiplied by the total transportation costs to determine the amount charged to each company.

### **Indirect Cost Allocation Methodology and Procedures**

PPL and its affiliates use a three-factor methodology to allocate indirect costs. Affiliates acquired by PPL and operating in other jurisdictions had, prior to their acquisition by PPL, used similar three-factor methodologies for allocating indirect costs though the factors differed slightly. In order to ensure consistency of cost allocation across affiliates and avoid subsidization of any affiliate, it is important that all affiliates use the same three-factor methodology to allocate indirect costs. PPL and its affiliates have chosen the methodology that provides the most relevant proxy of cost causation because, unlike directly attributable costs, a single primary cost driver could not be identified for such indirect costs.

In Pennsylvania, in May 2002, the Pennsylvania Public Utility Commission (“PaPUC”) issued its Focused Management and Operations Audit Report on PPL Electric and PPL Gas Utilities Corporation’s utility subsidiaries. In its audit, the PaPUC recommended that support costs be allocated using a three-factor methodology. The PaPUC recommended that the three-factor methodology should contain an employee or payroll factor, an asset or investment factor, and an operation and maintenance expense factor. Effective January 2003, PPL accepted the PaPUC’s recommended three-factor method.

The three-factor allocation methodology results in a reasonable allocation of indirect costs to all subsidiaries of PPL. Because these subsidiaries are involved in several businesses, they may have disproportionate amounts of invested capital, operation and maintenance expenses and employees, when compared to other PPL subsidiaries. Through the three-factor allocation methodology, all subsidiaries that comprise a material proportion of PPL, as measured by either invested capital, operation and maintenance expenses, or employees, will receive an equitable proportion of the indirect cost allocation.

### **CALCULATION OF THE MULTI – FACTOR INDIRECT COST ALLOCATION**

1. The first factor calculates each subsidiary’s proportion of invested capital relative to its affiliates. For this calculation, invested capital includes all of the following components of invested capital for subsidiaries (Short Term Debt, Long Term Debt Due in One Year, Long Term Debt, Minority Interest, Company Obligated Preferred Stock, Preferred Stock, and Common Equity) that are added together and allocated by each subsidiary's relative Invested Capital as compared to its affiliates.
2. The second and third factors calculate each subsidiary’s proportion of operation and maintenance expenses and number of employees relative to its affiliates. For these factors, the methodology generally is the same as for Invested Capital. Each subsidiary's data is summed and allocated by each subsidiary’s relative operation and maintenance and employee data as compared to its affiliates.
3. PPL determined that each of the three factors was equal in importance and, therefore, the

sum of the three was divided by three to obtain the average multi-factor allocation % for each subsidiary. For simplicity, and to reduce immaterial allocations, subsidiaries with a multi-factor average allocation rate of less than 1% are identified and do not receive an allocation from PPL Services.

#### EXCLUDING THE ALLOCATION OF CERTAIN INDIRECT COSTS TO AFFILIATES THAT DO NOT BENEFIT FROM THOSE COSTS

Each year, Support Groups analyze their indirect costs to determine which PPL subsidiaries do not receive a significant portion of their services. If these services and related costs are significant, the Support Groups isolate them from other indirect costs to ensure that the PPL subsidiaries that do not receive a benefit from the costs are not allocated costs applicable to those services. Support Groups identify either specific costs to be excluded or an appropriate % of services that should be excluded based on the operation and the expenses incurred.

#### Cost Assignment Procedures

Actual charges benefiting one affiliate are recorded directly on the books of that affiliate. Actual charges benefiting multiple affiliates are allocated via direct attribution or indirect attribution, as discussed further in the preceding portion of this chapter.

Allocation methods are developed and assigned by Finance and Accounting personnel based on the primary measure of cost causation for each area. Directly attributable allocation methods are based on closely correlated measures of cost causation, whereas indirectly attributable allocation methods are based on general measures of cost causation. If an existing direct method is not appropriate, a new method may be requested and approved by Financial Planning & Analysis.

Allocation rates for each method are calculated and reviewed at least annually, or more frequently for material changes to the organizational structure or business environment. Allocation methods and rates are set up and maintained in the financial system. Both the initial set up and subsequent changes are reviewed. Charge codes are set up in the financial system and associated with the allocation methods and rates. The charge codes are communicated to the employees in each area for charging time and expenses. Review of employee time entry and employee expenses includes review of the charge codes being utilized. The charges are accumulated in the charge code set up on the source (provider) affiliate and are distributed to the target (receiver) affiliates via system allocation.

Service company costs are budgeted by each support group. In order to add costs to one's budget in a service company, it is necessary to identify which affiliate(s) benefit(s) from the service provided. The support group will work with Financial Planning & Analysis to determine the appropriate allocation method. Budgeted costs are assigned to a cost code and allocation rates are added to the system for each cost code. Rates are reviewed across support groups to ensure the same rates are utilized for similar costs. The allocation engine is run in the budget system and all service company costs are allocated from the providing/supplying support group to the receiving/consuming affiliate.

PPL Services and LKS make available monthly billing information to their affiliates that reflects information necessary to identify the costs charged and services rendered for that period. Affiliates review the allocations monthly for accuracy and reasonableness and discuss any issues with PPL Services and LKS on a timely basis. In addition, as an overriding control, PPL Services, LKE, and its affiliates perform monthly analyses of expense variances for both PPL Services' and LKS' expenses by group as well as the amounts allocated to each affiliate. These processes serve as incremental controls over the reasonableness of charges to affiliates using the methodologies described above.

## **LG&E and KU Energy LLC Cost Allocation Manual**

### **Chapter 5 – A Description of Assets, Services, and Products Provided by the Regulated Entity to Non- Affiliates**

In addition to delivering electric service to customers, the regulated entities also may provide products and services to some other non-affiliates (individuals, companies, or organizations outside the PPL family of companies). A significant portion of these functions and services pertain to repairing “pole hits,” extending power lines, and relocating customers’ services that generally correspond to the regulated business. Another example of services provided by the regulated entities includes interconnection services provided for independent power producers. These functions and services are billed to non-affiliates at the fully loaded cost.

#### **Rent Charges**

Certain regulated entities may charge rent to occupants of its buildings. Rent charges include the costs to maintain and service the buildings as well as utility services associated with the buildings, such as electricity, water and sewer. These general costs are allocated and billed to the occupants of the building space. Specific tenant services provided are billed to the recipient of the service. Finally, a rent adder is applied to all rent bills. The rent adder is based on a market study of building rent rates within the regulated entity’s service area and is used to increase the rent charges from cost to market rates

## **LG&E and KU Energy LLC Cost Allocation Manual**

### **Chapter 6 – Time Distribution and Asset Transfer Policies**

LKS utilizes project/task combinations which are set up to equate to services. Departments may set up multiple projects/sub-projects that map to services, or there may be a one-to-one relationship. On a monthly basis, each support group will review its costs and allocate the costs directly or indirectly, as appropriate. Regardless of the method of reporting, charges related to specific services reside on the company receiving the service and therefore can be identified for billing purposes as well as for preparation of LKS financial statements. This ensures that:

1. Separation of costs among LG&E, KU, LKE's non-regulated subsidiaries, and other PPL affiliates will be maintained;
2. Intercompany transactions and related billings are structured so that non-regulated activities are not subsidized by regulated affiliates and regulated affiliates do not subsidize other regulated affiliates; and
3. Adequate audit trails exist on the books and records.

#### **BILLING POLICIES**

Billings for transactions among LKS, PPL Services, and other affiliates are issued on a timely basis with documentation sufficient to provide the receiving party with enough detail to understand the nature of the billing, the relevant components, and other information as required by affiliates. Financial settlements for transactions are made within 30 days. Interest charges, which are based on market rates for similar maturities of similarly rated entities as of the date of the loan, may apply. LKS is authorized to act as payment and billing agent on behalf of LKE, LG&E, KU and LKC.

#### **TIME DISTRIBUTION**

LKS has two methods of distribution to record employee salaries and wages while providing services for the affiliated entities: positive time reporting and exception time reporting. Each department's job activities will dictate the time reporting method used.

##### Positive Time Reporting

Positive time reporting requires an employee to track all chargeable hours every day. Each department or project manager is responsible for ensuring employees charge the appropriate time codes for the services performed. This form of time reporting is documented in the timekeeping systems, which upon completion, is approved by the employee's immediate supervisor.

##### Exception Time Reporting

Exception time reporting requires an employee to be assigned a task profile with default accounting. An employee who is an exception time reporter is only required to report overtime, variations to regular time (i.e., vacation, sick) and variations to default projects. These allocation percentages shall be reviewed on an annual basis, or when an employee's tasks and responsibilities

change, to update to actual allocation percentages when needed.

### **ASSET TRANSFERS**

Asset transfers follow the asymmetric pricing requirements in 18 CFR § 35.44. Settlement of liabilities will be treated in the same manner.

**LG&E and KU Energy LLC  
Cost Allocation Manual**

**Chapter 7 – State CAM Requirements**

**Kentucky**

LKE is providing information set out in the five sub-paragraphs of KRS 278.2205(2). Much of the information is provided in this CAM or in LG&E's and KU's annual filing reports to the KPSC or the VSCC.

- (A) A list of regulated and nonregulated divisions within the utility.
- i. This requirement is not applicable to LG&E and KU. LG&E and KU do not contain nonregulated divisions.
- (B) A list of all regulated and nonregulated affiliates of the utility to which the utility provides services or products and where the affiliates provide nonregulated activities as defined in KRS 278.010(21).
- i. Chapter 2 of this CAM provides a list of the affiliates within the LKE holding company structure.
- (C) A list of services and products provided by the utility, an identification of each as regulated or nonregulated, and the cost allocation method generally applicable to each category.
- i. LG&E

<u>Service/Product</u>	<u>Regulated/Nonregulated</u>	<u>Cost Allocation Method</u>
Electric Power	Regulated	Power System Supply Agreement <sup>3</sup>
Electric Transmission	Regulated	Transmission Coordination Agreement <sup>4</sup>
Electric Distribution	Regulated	Direct Assignment
Gas Transmission	Regulated	Direct Assignment
Gas Distribution	Regulated	Direct Assignment
Pole Setting/Replacement	Regulated	Direct Assignment
Gas and Electric Line Extensions	Regulated	Direct Assignment
Gas and Electric Line Relocations	Regulated	Direct Assignment
Preliminary Cell Site work	Regulated	Direct Assignment
Rental of space on power poles to third parties	Regulated	Direct Assignment
Installation and removal of cameras from power poles for third parties	Regulated	Direct Assignment
Temporarily turning power off/on for third parties	Regulated	Direct Assignment

<sup>3</sup> Filed with the KPSC in Case Number 2020-00350, Filing Requirement Tab 51 16(7)(u)(1).

<sup>4</sup> Filed with the KPSC in Case Number 2020-00350.

<b><u>Service/Product</u></b>	<b><u>Regulated/Nonregulated</u></b>	<b><u>Cost Allocation Method</u></b>
Providing stand-by power services for large events for third parties	Regulated	Direct Assignment
Rubber goods testing for third parties	Regulated	Direct Assignment
Rental of facilities to third parties	Regulated	Direct Assignment
Occasional sale of parts/equipment to third parties	Nonregulated	Direct Assignment
Industrial coal services	Nonregulated	Direct Assignment
Trimble County 1 working capital charges	Nonregulated	Direct Assignment
Trimble County 1 service fee	Nonregulated	Direct Assignment

## ii. KU

<b><u>Service/Product</u></b>	<b><u>Regulated/Nonregulated</u></b>	<b><u>Cost Allocation Method</u></b>
Electric Power	Regulated	Power System Supply Agreement <sup>5</sup>
Electric Transmission	Regulated	Transmission Coordination Agreement <sup>6</sup>
Electric Distribution	Regulated	Direct Assignment
Pole Setting/Replacement	Regulated	Direct Assignment
Electric Line Extensions	Regulated	Direct Assignment
Electric Line Relocations	Regulated	Direct Assignment
Preliminary Cell Site work	Regulated	Direct Assignment
Rental of space on power poles to third parties	Regulated	Direct Assignment
Installation and removal of cameras from power poles for third parties	Regulated	Direct Assignment
Temporarily turning power off/on for third parties	Regulated	Direct Assignment
Providing stand-by power services for large events for third parties	Regulated	Direct Assignment
Maintenance of transmission substations for third parties	Regulated	Direct Assignment
Rental of facilities to third parties	Regulated	Direct Assignment
Occasional sale of parts/equipment to third parties	Nonregulated	Direct Assignment

(D) A list of incidental, nonregulated activities that are subject to the provisions of KRS 278.2203(4).

<sup>5</sup> Filed with the KPSC in Case Number 2020-00349, Filing Requirement Tab 51 16(7)(u)(1).

<sup>6</sup> Filed with the KPSC in Case Number 2020-00349.



- i. LG&E and KU report their incidental and nonregulated activities as part of annual filings to the KPSC.
- (E) A description of the nature of transactions between the utility and the affiliate.
- i. This CAM provides a description of the nature of transactions between the utilities and its affiliates.
- (F) For each USofA account and subaccount, a report that identifies whether the account contains costs attributable to regulated operations and nonregulated operations. The report shall also identify whether the costs are joint costs that cannot be directly identified. A description of the methodology used to apportion each of these costs shall be included and the allocation methodology shall be consistent with the provisions of KRS 278.2203.
- i. LG&E and KU maintain their books and records in accordance with the FERC Uniform System of Accounts. The FERC USofA designates specific accounts where nonregulated transactions are to be recorded. Costs related to LG&E's and KU's nonregulated activities are charged to various 415, 416, and 417 accounts, in accordance with the FERC USofA requirements. The remaining transactions on LG&E's and KU's books are related to regulated utility operations. The methodology of apportioning costs is described in Chapter 3 of this CAM.

## **Virginia**

Prior approval of affiliate transactions is required by Chapter 4 of Title 56 of the Code of Virginia. KU will seek prior approval from the Virginia State Corporation Commission for changes to services agreements and this CAM. The Virginia Commission must act on such applications within 60 days, which may be extended by Commission order for an additional period not to exceed 30 days.

## **LG&E and KU Energy LLC Cost Allocation Manual**

### **Appendix A – National Association of Regulated Utility Commissioners Guidelines for Cost Allocations and Affiliate Transactions**

#### **Guidelines for Cost Allocations and Affiliate Transactions:**

The following Guidelines for Cost Allocations and Affiliate Transactions (Guidelines) are intended to provide guidance to jurisdictional regulatory authorities and regulated utilities and their affiliates in the development of procedures and recording of transactions for services and products between a regulated entity and affiliates. The prevailing premise of these Guidelines is that allocation methods should not result in subsidization of non-regulated services or products by regulated entities unless authorized by the jurisdictional regulatory authority. These Guidelines are not intended to be rules or regulations prescribing how cost allocations and affiliate transactions are to be handled. They are intended to provide a framework for regulated entities and regulatory authorities in the development of their own policies and procedures for cost allocations and affiliated transactions. Variation in regulatory environment may justify different cost allocation methods than those embodied in the Guidelines.

The Guidelines acknowledge and reference the use of several different practices and methods. It is intended that there be latitude in the application of these guidelines, subject to regulatory oversight. The implementation and compliance with these cost allocations and affiliate transaction guidelines, by regulated utilities under the authority of jurisdictional regulatory commissions, is subject to federal and state law. Each state or federal regulatory commission may have unique situations and circumstances that govern affiliate transactions, cost allocations, and/or service or product pricing standards. For example, The Public Utility Holding Company Act of 1935 requires registered holding company systems to price "at cost" the sale of goods and services and the undertaking of construction contracts between affiliate companies.

The Guidelines were developed by the NARUC Staff Subcommittee on Accounts in compliance with the Resolution passed on March 3, 1998, entitled "Resolution Regarding Cost Allocation for the Energy Industry" which directed the Staff Subcommittee on Accounts together with the Staff Subcommittees on Strategic Issues and Gas to prepare for NARUC's consideration, "Guidelines for Energy Cost Allocations." In addition, input was requested from other industry parties. Various levels of input were obtained in the development of the Guidelines from the Edison Electric Institute, American Gas Association, Securities and Exchange Commission, the Federal Energy Regulatory Commission, Rural Utilities Service and the National Rural Electric Cooperatives Association as well as staff of various state public utility commissions.

In some instances, non-structural safeguards as contained in these guidelines may not be sufficient to prevent market power problems in strategic markets such as the generation market. Problems arise when a firm has the ability to raise prices above market for a sustained period and/or impede output of a product or service. Such concerns have led some states to develop codes of conduct to govern relationships between the regulated utility and its non-regulated affiliates. Consideration should be given to any "unique" advantages an incumbent utility would have over competitors in an emerging market such as the retail energy market. A code of conduct should be used in conjunction with guidelines on cost allocations and affiliate transactions.

## A.DEFINITIONS

1. Affiliates - companies that are related to each other due to common ownership or control.
2. Attestation Engagement - one in which a certified public accountant who is in the practice of public accounting is contracted to issue a written communication that expresses a conclusion about the reliability of a written assertion that is the responsibility of another party.
3. Cost Allocation Manual (CAM) - an indexed compilation and documentation of a company's cost allocation policies and related procedures.
4. Cost Allocations - the methods or ratios used to apportion costs. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).
5. Common Costs - costs associated with services or products that are of joint benefit between regulated and non-regulated business units.
6. Cost Driver - a measurable event or quantity which influences the level of costs incurred and which can be directly traced to the origin of the costs themselves.
7. Direct Costs - costs which can be specifically identified with a particular service or product.
8. Fully Allocated costs - the sum of the direct costs plus an appropriate share of indirect costs.
9. Incremental pricing - pricing services or products on a basis of only the additional costs added by their operations while one or more pre-existing services or products support the fixed costs.
10. Indirect Costs - costs that cannot be identified with a particular service or product. This includes, but not limited to, overhead costs, administrative and general, and taxes.
11. Non-regulated - that which is not subject to regulation by regulatory authorities.
12. Prevailing Market Pricing - a generally accepted market value that can be substantiated by clearly comparable transactions, auction or appraisal.
13. Regulated - that which is subject to regulation by regulatory authorities.
14. Subsidization - the recovery of costs from one class of customers or business unit that are attributable to another.

## B. COST ALLOCATION PRINCIPLES

1. The following allocation principles should be used whenever products or services are provided between a regulated utility and its non-regulated affiliate or division.
2. To the maximum extent practicable, in consideration of administrative costs, costs should be collected and classified on a direct basis for each asset, service or product provided.
3. The general method for charging indirect costs should be on a fully allocated cost basis. Under appropriate circumstances, regulatory authorities may consider incremental cost, prevailing market pricing or other methods for allocating costs and pricing transactions among affiliates.
4. To the extent possible, all direct and allocated costs between regulated and non-regulated services and products should be traceable on the books of the applicable regulated utility to the applicable Uniform System of Accounts. Documentation should be made available to the appropriate regulatory authority upon request regarding transactions between the regulated utility and its affiliates.
5. The allocation methods should apply to the regulated entity's affiliates in order to prevent subsidization from, and ensure equitable cost sharing among the regulated entity and its affiliates, and vice versa.
6. All costs should be classified to services or products which, by their very nature, are either regulated, non-regulated, or common to both.
7. The primary cost driver of common costs, or a relevant proxy in the absence of a primary cost driver, should be identified and used to allocate the cost between regulated and non-regulated services or products.
8. The indirect costs of each business unit, including the allocated costs of shared services, should be spread to the services or products to which they relate using relevant cost allocators.

## C. COST ALLOCATION MANUAL (NOT TARIFFED)

Each entity that provides both regulated and non-regulated services or products should maintain a cost allocation manual (CAM) or its equivalent and notify the jurisdictional regulatory authorities of the CAM's existence. The determination of what, if any, information should be held confidential should be based on the statutes and rules of the regulatory agency that requires the information. Any entity required to provide notification of a CAM(s) should make arrangements as necessary and appropriate to ensure competitively sensitive information derived therefrom be kept confidential by the regulator. At a minimum, the CAM should contain the following:

1. An organization chart of the holding company, depicting all affiliates, and regulated entities.
2. A description of all assets, services and products provided to and from the regulated entity and each of its affiliates.
3. A description of all assets, services and products provided by the regulated entity to non- affiliates.
4. A description of the cost allocators and methods used by the regulated entity and the cost allocators and methods used by its affiliates related to the regulated services and products provided to the regulated entity.

#### D.AFFILIATE TRANSACTIONS (NOT TARIFFED)

The affiliate transactions pricing guidelines are based on two assumptions. First, affiliate transactions raise the concern of self-dealing where market forces do not necessarily drive prices. Second, utilities have a natural business incentive to shift costs from non-regulated competitive operations to regulated monopoly operations since recovery is more certain with captive ratepayers. Too much flexibility will lead to subsidization. However, if the affiliate transaction pricing guidelines are too rigid, economic transactions may be discouraged.

The objective of the affiliate transactions' guidelines is to lessen the possibility of subsidization in order to protect monopoly ratepayers and to help establish and preserve competition in the electric generation and the electric and gas supply markets. It provides ample flexibility to accommodate exceptions where the outcome is in the best interest of the utility, its ratepayers and competition. As with any transactions, the burden of proof for any exception from the general rule rests with the proponent of the exception.

1. Generally, the price for services, products and the use of assets provided by a regulated entity to its non-regulated affiliates should be at the higher of fully allocated costs or prevailing market prices. Under appropriate circumstances, prices could be based on incremental cost, or other pricing mechanisms as determined by the regulator.
2. Generally, the price for services, products and the use of assets provided by a non-regulated affiliate to a regulated affiliate should be at the lower of fully allocated cost or prevailing market prices. Under appropriate circumstances, prices could be based on incremental cost, or other pricing mechanisms as determined by the regulator.
3. Generally, transfer of a capital asset from the utility to its non-regulated affiliate should be at the greater of prevailing market price or net book value, except as otherwise required by law or regulation. Generally, transfer of assets from an affiliate to the utility should be at the lower of prevailing market price or net book value, except as otherwise required by law or regulation. To determine prevailing market value, an appraisal should be required at certain value thresholds as determined by regulators.

4. Entities should maintain all information underlying affiliate transactions with the affiliated utility for a minimum of three years, or as required by law or regulation.

#### E.AUDIT REQUIREMENTS

1. An audit trail should exist with respect to all transactions between the regulated entity and its affiliates that relate to regulated services and products. The regulator should have complete access to all affiliate records necessary to ensure that cost allocations and affiliate transactions are conducted in accordance with the guidelines. Regulators should have complete access to affiliate records, consistent with state statutes, to ensure that the regulator has access to all relevant information necessary to evaluate whether subsidization exists. The auditors, not the audited utilities, should determine what information is relevant for a particular audit objective. Limitations on access would compromise the audit process and impair audit independence.
2. Each regulated entity's cost allocation documentation should be made available to the company's internal auditors for periodic review of the allocation policy and process and to any jurisdictional regulatory authority when appropriate and upon request.
3. Any jurisdictional regulatory authority may request an independent attestation engagement of the CAM. The cost of any independent attestation engagement associated with the CAM should be shared between regulated and non-regulated operations consistent with the allocation of similar common costs.
4. Any audit of the CAM should not otherwise limit or restrict the authority of state regulatory authorities to have access to the books and records of and audit the operations of jurisdictional utilities.
5. Any entity required to provide access to its books and records should make arrangements as necessary and appropriate to ensure that competitively sensitive information derived therefrom be kept confidential by the regulator.

#### F.REPORTING REQUIREMENTS

1. The regulated entity should report annually the dollar amount of non-tariffed transactions associated with the provision of each service or product and the use or sale of each asset for the following:
  - a. Those provided to each non-regulated affiliate.
  - b. Those received from each non-regulated affiliate.
  - c. Those provided to non-affiliated entities.

2. Any additional information needed to assure compliance with these Guidelines, such as cost of service data necessary to evaluate subsidization issues, should be provided.

**Rick E. Lovekamp**

Manager Regulatory Strategy/Policy  
State Regulation and Rates  
O 502-627-3780  
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Kimberly B. Pate  
Virginia State Corporation Commission  
Director - Division of Utility Accounting and Finance  
Tyler Building – Fourth Floor  
1300 East Main Street  
Richmond, VA 23219

April 30, 2024

**RE: Kentucky Utilities Company d/b/a Old Dominion Power Company for Authority to Engage in Affiliate Transactions Pursuant to Va. Code § 56-76 et seq. (Case Nos. PUR-2018-00049, PUR-2019-00057, PUR-2022-00038, PUR-2022-00170, and PUR-2023-00055)**

Dear Ms. Pate:

Pursuant to the aforementioned Commission’s Orders, Kentucky Utilities Company (“KU”), d/b/a Old Dominion Power Company, (“KU/ODP”), hereby files the following information in the Appendices of these said Orders:

1. KU’s, Annual Report of Affiliate Transactions for the calendar year January 1, 2023 through December 31, 2023
2. Federal Energy Regulatory Commission Form 60 Report for 2023
3. PPL Corp. Entities Participating in Tax Allocation Agreement in 2022
4. Legal Verification Page regarding KU/ODP’s Allocated and Separate Return Tax Liabilities
5. Money Pool Transactions by borrower/lender, month, amount lent, amount borrowed, outstanding balance, and applicable interest rate for 2023
6. KU/ODP Receivables and Payables by month, good or service, FERC Account and Amount in Excel format for 2023
7. KU/ODP Recipient of Service (Payables) by month, Service Affiliate, Service Category, and FERC Account in Excel format for 2023

As requested, this information is being submitted via e-mail. If you have any questions, please contact me or contact Don Harris at (502) 627-2021.

Sincerely,

A handwritten signature in blue ink that reads 'Rick E. Lovekamp'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Rick E. Lovekamp

cc: Robert F. Sartelle, Manager, Division of Utility Accounting and Finance



2023 VA ARAT  
 KU Provider of Service (Receivables)  
 VSCC-1 By Month and CAM Category

CAM Category	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Total
Corporate Operations and Integration	\$ -	\$ 341.34	\$ 3,992.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517.64	\$ 10,732.91	\$ 15,584.31
Corporate Security	-	-	-	-	-	-	-	-	-	-	19,910.94	-	19,910.94
Customer Services	14,560.88	8,308.79	15,000.68	15,615.16	21,145.63	20,880.14	27,593.84	24,521.57	16,022.81	25,132.30	29,860.47	34,213.71	252,855.98
Distribution Operations	203,976.29	157,226.23	314,053.37	348,914.46	270,073.64	249,476.11	202,138.08	489,559.46	351,045.65	250,240.31	245,321.62	231,777.14	3,313,802.36
Financial	-	74.39	-	(41.79)	(16.25)	38.04	214.11	227.37	148.64	160.80	265.32	3,903.33	4,973.96
Human Resources	(7,277.74)	(5,590.39)	341,646.16	(4,942.96)	(5,101.81)	11,382.86	(5,675.14)	(5,985.06)	656,434.10	(8,552.72)	(8,436.49)	348,912.95	1,306,813.76
Information Technology	211,725.09	116,646.35	172,246.33	128,321.83	148,780.92	130,815.29	127,123.49	148,072.13	131,873.43	198,615.39	176,585.03	460,161.00	2,150,966.28
Operating Services	15,800.88	16,282.86	16,306.56	46,044.87	31,937.05	42,707.84	(9,646.16)	16,518.55	15,802.69	16,021.18	45,775.24	15,837.92	269,389.48
Power Production and Generation	175,945.46	141,560.61	1,226,428.17	300,772.69	399,832.76	53,541.84	189,778.53	249,350.32	281,758.44	307,696.43	399,274.29	5,335,651.70	9,061,591.24
Public Affairs	-	-	-	-	-	-	-	-	-	511.29	-	-	511.29
Safety and Technical Training	-	-	-	-	(1,386.80)	-	(0.00)	-	(0.00)	-	63.40	20.69	(1,302.71)
Supply Chain	5,329.07	8,464.52	8,053.50	8,053.50	8,930.47	11,174.23	8,638.24	4,462.79	10,742.22	6,562.16	8,839.00	10,374.31	99,624.01
Transmission Operations & Services	55,001.86	235,040.18	67,540.34	15,501.27	(21,754.53)	4,396.45	21,642.79	271,287.45	52,882.30	68,812.10	31,417.36	109,946.89	911,714.46
Transportation	-	410.48	-	-	-	203.29	691.67	609.77	30.71	-	1,292.61	2,090.31	5,328.84
<b>Total</b>	<b>\$ 675,061.79</b>	<b>\$ 678,765.36</b>	<b>\$ 2,165,267.53</b>	<b>\$ 858,239.03</b>	<b>\$ 852,441.08</b>	<b>\$ 524,616.09</b>	<b>\$ 562,499.45</b>	<b>\$ 1,198,624.35</b>	<b>\$ 1,516,740.99</b>	<b>\$ 865,199.24</b>	<b>\$ 950,686.43</b>	<b>\$ 6,563,622.86</b>	<b>\$ 17,411,764.20</b>

The LG&E and KU Cost Allocation Manual (CAM) which was effective January 1, 2023 and was approved by the VSCC on December 20, 2022 (Case Number PUR-2022-00170) provides a description of services, the nature and frequency of services provided, and the cost apportionment methodologies.

Exhibit No. VSCC-1A	\$ 15,612,480.89
Exhibit No. VSCC-1B	1,333,008.29
Exhibit No. VSCC-1C	336,555.39
Exhibit No. VSCC-1D	19,073.01
Exhibit No. VSCC-1E	25.60
Exhibit No. VSCC-1F	20,187.42
Exhibit No. VSCC-1G	90,433.60
<b>Total</b>	<b>\$ 17,411,764.20</b>

**Convenience Payments:**

Cash Received by LG&E on Behalf of KU	\$ 56,475,050.02
Power Sales/Purchases	19,756,329.61
Capital Expenditures	3,866,764.48
IMEA/IMPAA Incremental Capital by Affiliates	6,982,610.07
Materials/Fuels	7,849,385.67
Outside Services	7,683,743.21
Cash Received by LKS on Behalf of KU	5,651,803.29
Other	245,931.30
<b>Total</b>	<b>\$ 108,511,617.65</b>

**Other Excluded Non-Service Transactions:**

Lending to the LG&E Money Pool	\$ 28,967,999.99
Tax Settlements	\$ 5,666,137.00
Other Net Accruals and Misc	9,762,013.14
<b>Total</b>	<b>\$ 44,396,150.13</b>

**Grand Total** \$ 170,319,531.98

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**January 1, 2023 - December 31, 2023**

No. 10

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions undertaken with Louisville Gas and Electric Company and LG&E and KU Services Company with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and documentation related to each arrangement/agreement;
- 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts;
- 9) allocation bases/factors for allocated costs; please see also the Company's Cost Allocation Manual for a description of allocation methods used;
- 10) list and description of each utility asset transfer over \$250,000;
- 11) list by functional group of utility assets transfers valued less than \$250,000;
- 12) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) Louisville Gas and Electric Company
- 2) Amended and Restated Utility Services Agreement, Case Numbers: PUR-2022-00170 and PUR-2023-00055
- 3) December 20, 2022 and June 13, 2023, respectively
- 4) Component costs are:

Period	Capital Expenditures	Direct-Indirect Labor	Equipment/Facilities	Benefits/Overheads <sup>1</sup>	Materials/Fuels	Office and Administrative Services	Outside Services	Transmission	Total
Jan-2023	\$ 258,271.43	\$ 66,564.01	\$ 126,055.20	\$ 32,722.72	\$ 55.69	\$ 3,279.65	\$ 8,396.01	\$ 36,509.66	\$ 531,854.37
Feb-2023	373,271.25	56,973.04	122,102.36	33,210.90	10,251.94	6,114.66	15,886.29	4,372.57	622,183.01
Mar-2023	296,385.40	331,741.12	135,610.44	386,857.64	1,145.37	63,086.93	812,461.93	24,255.16	2,051,543.99
Apr-2023	297,792.55	105,358.30	123,921.82	34,116.09	52,378.68	9,747.47	79,058.21	8,828.58	711,201.70
May-2023	374,987.58	108,145.75	122,384.76	38,940.88	25,918.50	6,367.63	14,982.06	12,303.63	704,030.79
Jun-2023	240,488.04	114,948.65	120,411.60	373,738.39	28,691.47	12,324.76	(164,163.23)	8,282.66	734,722.34
Jul-2023	209,490.31	107,398.11	123,361.19	28,778.04	150.33	18,949.47	19,905.40	-	508,032.85
Aug-2023	632,327.34	235,070.62	140,805.26	40,394.49	14,017.13	7,917.10	11,424.48	-	1,081,956.42
Sep-2023	386,571.96	89,712.27	119,605.96	362,724.24	22,577.56	10,555.71	80,564.76	-	1,072,312.46
Oct-2023	277,003.48	106,185.11	119,688.36	41,383.91	38,857.39	7,504.65	9,601.67	72,525.02	672,749.59
Nov-2023	273,907.11	80,025.42	122,948.27	144,516.30	693.46	8,630.71	51,919.91	101,859.29	784,500.47
Dec-2023	5,472,813.13	50,688.73	120,613.73	401,242.25	7,302.67	4,156.35	16,160.74	64,415.30	6,137,392.90
<b>Total</b>	<b>\$ 9,093,309.58</b>	<b>\$ 1,452,811.13</b>	<b>\$ 1,497,508.95</b>	<b>\$ 1,918,625.85</b>	<b>\$ 202,040.19</b>	<b>\$ 158,635.09</b>	<b>\$ 956,198.23</b>	<b>\$ 333,351.87</b>	<b>\$ 15,612,480.89</b>

- 5) Services provided are:

Corporate Operations and Integration	\$ 8,971.05
Corporate Security	19,910.94
Customer Services	234,033.55
Distribution Operations	2,896,964.19
Energy Supply and Analysis	0.00
Financial	4,169.96
Human Resources	1,284,773.91
Information Technology	896,706.52
Operating Services	192,344.84
Power Production and Generation	9,059,548.19
Public Affairs	511.29
Safety and Technical Training	(1,302.71)
Supply Chain	99,624.01
Transmission Operations & Services	911,714.46
Transportation	4,510.69
<b>Total<sup>2</sup></b>	<b>\$ 15,612,480.89</b>

- 6) LG&E's and KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.

- 7) Transfers or sales of assets, goods or services between KU and LG&E are priced at cost, which approximates market value.

- 8) The percentage of costs charged to capital or expense are as follows:

Capital	\$ 9,093,309.58	58.24%
Expense	6,519,171.31	41.76%
	<u>\$ 15,612,480.89</u>	<u>100.00%</u>

- 9) Allocation percentages for overhead calculations on labor as applicable in 2023 are as follows:

Part-Time Labor	62.09%
Temporary Labor and Overtime	19.47%
Full-Time Labor	62.09%

Allocation percentages for overhead calculations on material issued from inventory in 2023 are as follows:

Stores, Freight & Handling - T & D	3.77%
Stores, Freight & Handling - Production	4.32%

Allocation percentages on labor and non-labor for capital projects in 2023 are as follows:

Administrative and General	1.26%
Construction Overheads - Production	1.39%
Construction Overheads - Transmission	10.00%
Construction Overheads - Distribution	6.42%

Allocation percentages for overhead calculations on all labor from departments to which a vehicle is assigned for 2023 are as follows:

Vehicle Cost Allocation	18.39%
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- 10) There were no asset transfers from KU to LG&E over \$250,000.

- 11) Transfer of assets from KU to LG&E less than \$250,000 are as follows:

Transfer of distribution transformers	\$ 7,512.18
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- 12) Receivables are netted against payables to the same affiliate (see response to question 4 in Exhibit No. 2A) and net settlements occur in the following month.

<sup>1</sup> A portion of labor overhead amounts are not included. Due to system configuration and functionality given the volume of transactions, labor overheads are not separately identifiable as services provided by or for the affiliate, but are included as a reduction to the amounts included in Benefits/Overheads in component costs on Exhibit No. VSCC-2A.

<sup>2</sup> A portion of labor overhead amounts are not included. Due to system configuration and functionality given the volume of transactions, labor overheads are not separately identifiable as services provided by or for the affiliate, but are included as a reduction to the amounts included in services provided on Exhibit No. VSCC-2A.

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**LG&E AND KU SERVICES COMPANY**  
**January 1, 2023 - December 31, 2023**

No. 10

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions undertaken with Louisville Gas and Electric Company and LG&E and KU Services Company with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and documentation related to each arrangement/agreement;
- 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts;
- 9) allocation bases/factors for allocated costs; please see also the Company's Cost Allocation Manual for a description of allocation methods used;
- 10) list and description of each utility asset transfer over \$250,000;
- 11) list by functional group of utility assets transfers valued less than \$250,000;
- 12) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) LG&E and KU Services Company
- 2) Amended and Restated Utility Services Agreement, Case Numbers: PUR-2022-00170 and PUR-2023-00055
- 3) December 20, 2022 and June 13, 2023, respectively
- 4) Component costs are:

Period	Direct-Indirect Labor	Equipment/Facilities	Benefits/Overheads <sup>1</sup>	Materials/Fuels	Office and Administrative Services	Outside Services	Grand Total
Jan-2023	\$ 138,425.92	\$ -	\$ -	\$ -	\$ 4,781.50	\$ -	\$ 143,207.42
Feb-2023	49,508.43	398.30	-	5,450.29	1,199.73	-	56,556.75
Mar-2023	107,462.98	417.95	65.44	250.00	5,527.17	-	113,723.54
Apr-2023	112,323.25	2,474.13	-	-	211.99	26,490.97	147,037.33
May-2023	119,259.54	-	2,310.72	180.19	8,564.56	18,095.28	148,410.29
Jun-2023	76,970.46	610.87	(0.00)	-	7,790.37	680.22	86,051.92
Jul-2023	74,740.13	545.86	(0.00)	217.25	3,214.99	-	78,718.23
Aug-2023	111,879.67	705.57	2.69	-	3,243.64	739.88	116,571.45
Sep-2023	111,853.89	-	0.00	-	5,486.21	675.00	118,015.10
Oct-2023	120,118.52	-	0.00	-	1,462.01	739.88	122,320.41
Nov-2023	103,560.14	-	-	-	4,464.88	4,234.66	112,259.68
Dec-2023	73,784.07	-	(0.00)	10,731.21	5,250.95	369.94	90,136.17
<b>Total</b>	<b>\$ 1,199,887.00</b>	<b>\$ 5,152.68</b>	<b>\$ 2,378.85</b>	<b>\$ 17,040.93</b>	<b>\$ 56,523.00</b>	<b>\$ 52,025.83</b>	<b>\$ 1,333,008.29</b>

- 5) Services provided are:

Corporate Operations and Integration	\$ 6,613.26
Customer Services	18,822.43
Distribution Operations	383,415.60
Human Resources	2.69
Information Technology	875,481.57
Operating Services	46,514.49
Power Production and Generation	<u>2,158.25</u>
<b>Total<sup>2</sup></b>	<b><u>\$ 1,333,008.29</u></b>

- 6) LG&E and KU Services Company's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and LG&E and KU Services Company are priced at cost, which approximates market value.

- 8) The percentage of costs charged to capital or expense are as follows:

Capital	\$ -	0.00%
Expense	<u>\$ 1,333,008.29</u>	<u>100.00%</u>
	<u>\$ 1,333,008.29</u>	<u>100.00%</u>

- 9) Allocation percentages for overhead calculations on labor as applicable in 2023 are as follows:

Part-Time Labor	62.09%
Temporary Labor and Overtime	19.47%
Full-Time Labor	62.09%

Allocation percentages for overhead calculations on material issued from inventory in 2023 are as follows:

Stores, Freight & Handling - T & D	3.77%
Stores, Freight & Handling - Production	4.32%

Allocation percentages on labor and non-labor for capital projects in 2023 are as follows:

Administrative and General	1.26%
Construction Overheads - Production	1.39%
Construction Overheads - Transmission	10.00%
Construction Overheads - Distribution	6.42%

Allocation percentages for overhead calculations on all labor from departments to which a vehicle is assigned for 2022 are as follows:

Vehicle Cost Allocation	18.39%
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- 10) There were no utility asset transfers over \$250,000.
- 11) There were no utility asset transfers under \$250,000.
- 12) Receivables are netted against payables to the same affiliate (see response to question 4 in Exhibit No. 2B) and net settlements occur in the following month.

<sup>1</sup> Most labor overhead amounts are not included. Due to system configuration and functionality given the volume of transactions, labor overheads are not separately identifiable as services provided by or for the affiliate, but are included as a reduction to the amounts included in Benefits/Overheads in component costs on Exhibit No. VSCC-2B.

<sup>2</sup> Most labor overhead amounts are not included. Due to system configuration and functionality given the volume of transactions, labor overheads are not separately identifiable as services provided by or for the affiliate, but are included as a reduction to the amounts included in services provided on Exhibit No. VSCC-2B.

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**PPL SERVICES CORPORATION**  
**January 1, 2023 - December 31, 2023**

No. 11

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions indirectly undertaken for the benefit of non-regulated<sup>1</sup> affiliates with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the non-regulated affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and supporting documentation for each type of service provided;
- 8) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) PPL Services Corporation
- 2) Amended and Restated Utility Services Agreement, Case Numbers: PUR-2022-00170 and PUR-2023-00055
- 3) December 20, 2022 and June 13, 2023, respectively
- 4) Component costs are:

Period	Capital Expenditures	Direct-Indirect Labor	Equipment/Facilities	Fringe Benefits/Overheads	Office and Administrative Services	Outside Services	Grand Total
Jun-2023	-	23.12	26,340.52	(325,642.68)	-	-	(299,279.04)
Jul-2023	-	-	(26,340.52)	-	80.40	-	(26,260.12)
Aug-2023	-	-	-	-	96.48	-	96.48
Sep-2023	0.00	-	-	325,654.00	144.72	-	325,798.72
Oct-2023	(115.20)	-	-	-	160.80	-	45.60
Nov-2023	-	-	34,729.74	-	160.80	-	34,890.54
Dec-2023	-	-	279,065.25	-	160.80	22,037.16	301,263.21
<b>Total</b>	<b>\$ (115.20)</b>	<b>\$ 23.12</b>	<b>\$ 313,794.99</b>	<b>\$ 11.32</b>	<b>\$ 804.00</b>	<b>\$ 22,037.16</b>	<b>\$ 336,555.39</b>

- 5) Services provided are:

Distribution Operations	\$ 34.44
Financial	\$ 804.00
Human Resources	\$ 22,037.16
Information Technology	\$ 282,446.69
Operating Services	\$ 30,530.15
Power Production and Generation	\$ (115.20)
Transportation	\$ 818.15
<b>Total</b>	<b>\$ 336,555.39</b>

- 6) KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and PPL Services Corporation are priced at cost, which approximates market value.
- 8) Settlements occur in the following month.

<sup>1</sup> Although PPL Services Corporation is not regulated by the Virginia State Corporation Commission, it is regulated by the Pennsylvania Public Utility Commission.

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**PPL ELECTRIC UTILITIES CORPORATION**  
**January 1, 2023 - December 31, 2023**

No. 11

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions indirectly undertaken for the benefit of non-regulated<sup>1</sup> affiliates with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the non-regulated affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and supporting documentation for each type of service provided;
- 8) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) PPL Electric Utilities Corporation
- 2) Utility Services Agreement for Goods Not Readily Available from the Market, Obsolete, or Otherwise Surplus, Case Number: PUR-2019-00057
- 3) May 9, 2019
- 4) Component costs are:

Period	Equipment/ Facilities	Total	
Dec-2023	19,073.01	19,073.01	25 iPads
<b>Total</b>	<b>\$ 19,073.01</b>	<b>\$ 19,073.01</b>	

- 5) Services provided are:

Information Technology	\$ 19,073.01
<b>Total</b>	<b>\$ 19,073.01</b>

- 6) KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and PPL Electric Utilities Corporation are priced at cost, which approximates market value.
- 8) Settlements occur in the following month.

<sup>1</sup> Although PPL Electric Utilities Corporation is not regulated by the Virginia State Corporation Commission, it is regulated by the Pennsylvania Public Utility Commission.

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**LG&E AND KU SERVICES COMPANY (PPL ELECTRIC UTILITIES CORPORATION)**  
**January 1, 2023 - December 31, 2023**

No. 11

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions indirectly undertaken for the benefit of non-regulated affiliates with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the non-regulated affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and supporting documentation for each type of service provided;
- 8) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) LG&E and KU Services Company (on behalf of PPL Electric Utilities Corporation)
- 2) Amended and Restated Utility Services Agreement, Case Numbers: PUR-2022-00170 and PUR-2023-00055
- 3) December 20, 2022 and June 13, 2023, respectively
- 4) Component costs are:

Period	Office and Administrative Services	Total
Feb-2023	25.60	25.60
<b>Total</b>	<b>\$ 25.60</b>	<b>\$ 25.60</b>

- 5) Services provided are:

Distribution Operations	\$ 25.60
<b>Total</b>	<b>\$ 25.60</b>

- 6) KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and PPL Electric Utilities Corporation are priced at cost, which approximates market value.
- 8) Settlements occur in the following month.

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**THE NARRAGANSETT ELECTRIC COMPANY**  
**January 1, 2023 - December 31, 2023**

No. 11

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions indirectly undertaken for the benefit of non-regulated<sup>1</sup> affiliates with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the non-regulated affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and supporting documentation for each type of service provided;
- 8) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) The Narragansett Electric Company
- 2) Amended and Restated Utility Services Agreement, Case Number: PUR-2023-00055
- 3) June 13, 2023
- 4) Component costs are:

Period	Direct-Indirect Labor	Benefits/ Overheads	Total
Oct-2023	4,213.92	3,099.26	7,313.18
Nov-2023	5,227.53	4,150.90	9,378.43
Dec-2023	2,381.39	1,114.42	3,495.81
<b>Total</b>	<b>\$ 11,822.84</b>	<b>\$ 8,364.58</b>	<b>\$ 20,187.42</b>

- 5) Services provided are:

Distribution Operations	20,187.42
<b>Total</b>	<b>\$ 20,187.42</b>

- 6) KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and The Narragansett Electric Company are priced at cost, which approximates market value.
- 8) Settlements occur in the following month.

<sup>1</sup> Although The Narragansett Electric Company is not regulated by the Virginia State Corporation Commission, it is regulated by the Rhode Island Division of Public Utilities and Carriers.

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**PPL RHODE ISLAND HOLDINGS, LLC**  
**January 1, 2023 - December 31, 2023**

No. 11

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions indirectly undertaken for the benefit of non-regulated<sup>1</sup> affiliates with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and documentation related to each arrangement/agreement;
- 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts;
- 9) allocation bases/factors for allocated costs; please see also the Company's Cost Allocation Manual for a description of allocation methods used;
- 10) list and description of each utility asset transfer over \$250,000;
- 11) list by functional group of utility assets transfers valued less than \$250,000;
- 12) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) PPL Rhode Island Holdings, LLC
- 2) Amended and Restated Utility Services Agreement, Case Number: PUR-2023-00055
- 3) June 13, 2023
- 4) Component costs are:

Period	Capital Expenditures	Equipment/ Facilities	Grand Total
Jun-2023	3,120.87	-	3,120.87
Jul-2023	2,008.49	-	2,008.49
Sep-2023	614.71	-	614.71
Oct-2023	4,826.59	57,943.87	62,770.46
Nov-2023	-	9,657.31	9,657.31
Dec-2023	2,604.45	9,657.31	12,261.76
<b>Total</b>	<b>\$ 13,175.11</b>	<b>\$ 77,258.49</b>	<b>\$ 90,433.60</b>

- 5) Services provided are:

Distribution Operations	13,175.11
Information Technology	77,258.49
<b>Total</b>	<b>\$ 90,433.60</b>

- 6) KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and PPL Services Corporation are priced at cost, which approximates market value.
- 8) Settlements occur in the following month.



**Reconciliation of KU 2023 Form 1 to VA ARAT VSCC-1 (Services Only View)**

	Form 1			PPL Electric Utilities Corporation	The Narragansett Electric Company	PPL Rhode Island Holdings, LLC	Total
	Louisville Gas and Electric Company	LG&E and KU Services Company (LKS)	PPL Services Corporation (PPLS)				
<b>Non-Power Goods or Services Provided for Affiliate:</b>							
Capital Expenditures	9,093,310.00	-	(115.00)	-	-	-	9,093,195.00
Direct-Indirect Labor	3,371,437.00	1,202,266.00	34.00	-	-	-	4,573,737.00
Equipment and Facilities	1,497,509.00	5,152.00	313,795.00	-	-	-	1,816,456.00
Materials and Fuels	202,040.00	17,041.00	-	-	-	-	219,081.00
Office and Administrative Services	158,635.00	56,523.00	804.00	-	-	-	215,962.00
Outside Services	956,198.00	52,026.00	22,037.00	-	-	-	1,030,261.00
Transmission	333,352.00	-	-	-	-	-	333,352.00
<b>Total Filed on Form 1, Page 429</b>	<b>\$ 15,612,481.00</b>	<b>\$ 1,333,008.00</b>	<b>\$ 336,555.00</b>	<b>\$ -</b>			<b>\$ 17,282,044.00</b>
<b>Reconciling Items from Form 1 to VA ARAT (Services Only View):</b>							
Affiliate Amount Below Reporting Threshold	-	-		19,098.61	20,187.42	90,433.60	129,719.63
<b>Total</b>	<b>\$ 15,612,481.00</b>	<b>\$ 1,333,008.00</b>	<b>\$ 336,555.00</b>	<b>\$ 19,098.61</b>	<b>\$ 20,187.42</b>	<b>\$ 90,433.60</b>	<b>\$ 17,411,763.63</b>
VA ARAT (VSCC-1) Services Only View	\$ 15,612,480.89	\$ 1,333,008.29	336,555.39	19,098.61	20,187.42	90,433.60	17,411,764.20
Difference (rounding)	\$ 0.11	\$ (0.29)	\$ (0.39)	- \$	- \$	-	(0.57)

2023 VA ARAT  
 KU Recipient of Service (Payables)  
 VSCC-2 By Month and CAM Category

CAM Category	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Total
Corporate	\$(54.67)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,564.16	\$ 31,198.32	\$ 30,109.04	\$ 75,025.23	\$ 173,842.08
Corporate Audit Services	53,268.12	65,725.67	58,502.28	47,908.26	56,734.88	59,384.73	50,459.03	49,333.04	61,634.81	53,158.36	48,183.10	109,411.54	713,703.82
Corporate Operations and Integration	55,101.68	41,475.53	208,897.55	113,415.43	238,527.17	317,135.75	51,585.93	117,088.46	150,550.40	87,799.81	75,702.41	191,092.86	1,648,372.98
Corporate Security	324,135.63	64,387.14	326,816.15	243,073.82	308,307.75	91,822.04	198,303.95	202,084.84	151,599.67	165,683.77	125,827.95	292,688.24	2,494,730.95
Customer Services	2,203,719.40	2,285,058.83	2,971,573.47	2,319,982.03	2,274,681.69	2,228,141.22	2,013,562.22	2,434,894.61	2,310,845.69	2,838,884.52	4,070,386.82	886,792.99	28,838,523.49
Distribution Operations	1,139,420.49	1,116,010.53	1,746,939.65	1,400,940.68	1,236,177.70	1,451,426.03	1,250,928.82	1,284,302.37	1,179,961.74	1,432,077.29	1,177,302.82	1,271,327.30	15,686,815.42
Energy Supply and Analysis	464,161.30	544,389.98	384,178.24	371,829.19	381,481.80	392,130.74	498,010.58	501,244.76	406,088.19	416,417.98	351,441.68	350,762.09	5,062,136.53
Enterprise Security	50,670.08	55,806.18	133,975.58	100,181.86	101,635.33	96,648.49	80,816.21	94,018.59	98,107.80	85,598.82	98,994.28	122,262.12	1,118,715.34
Environmental	154,577.00	146,511.84	172,580.45	151,797.63	157,981.67	142,845.11	144,879.24	166,194.39	142,987.70	186,147.31	157,000.86	135,215.44	1,858,718.64
Executive Management Services	215,475.77	89,324.14	109,193.25	199,765.15	80,824.56	81,926.72	183,629.61	79,660.77	82,469.41	205,927.88	76,098.32	97,867.31	1,502,162.89
Financial	801,072.55	1,121,503.47	1,754,919.77	1,101,176.97	1,218,213.93	1,285,113.81	1,084,225.56	1,209,368.22	965,897.68	1,341,116.37	1,103,043.21	822,170.02	13,807,821.56
Human Resources	553,990.85	356,278.52	(691,622.30)	493,817.62	510,797.97	(1,545,546.68)	492,228.37	469,133.86	(78,513.10)	482,946.94	418,806.98	(570,152.33)	892,166.70
Information Technology	3,589,502.25	2,344,040.67	4,049,254.40	3,199,858.19	3,800,450.03	5,841,421.63	2,007,843.07	1,827,166.12	3,647,483.19	3,068,997.79	4,015,666.04	6,725,400.98	44,117,084.36
Office of General Counsel	269,858.19	542,615.30	2,067,055.37	952,558.27	643,803.23	924,602.11	862,126.22	365,225.14	1,141,963.73	615,854.89	765,558.42	1,054,750.11	10,205,970.98
Operating Services	972,601.98	619,601.39	899,431.79	705,764.83	811,647.82	888,536.22	798,583.34	755,138.85	819,929.23	781,428.73	740,336.89	817,282.08	9,610,283.15
Power Production and Generation	7,900,718.75	2,162,413.67	7,222,438.99	4,105,959.59	4,423,421.21	4,837,025.29	6,544,322.71	4,861,327.67	5,618,183.45	5,495,329.66	2,697,534.24	4,840,756.27	60,709,431.50
Public Affairs	184,467.15	170,547.58	295,733.89	198,194.08	212,944.02	186,791.60	186,464.54	243,497.09	201,197.06	233,948.27	177,896.94	165,859.77	2,457,541.99
Regulatory Affairs and Government Affairs Management Services	112,486.33	125,312.61	153,597.45	127,733.12	136,445.10	127,429.31	100,623.62	151,502.37	109,066.18	150,106.58	123,170.77	108,135.24	1,525,608.68
Safety and Technical Training	203,210.78	213,747.80	219,984.37	285,921.57	287,066.50	248,785.49	243,369.68	279,560.64	221,664.62	267,424.49	230,476.88	239,779.97	2,940,992.79
Supply Chain	280,871.03	303,550.91	443,993.89	312,132.35	345,186.32	310,318.16	288,156.98	361,044.34	288,910.33	340,064.78	276,774.03	260,253.93	3,811,257.05
Transmission Operations & Services	3,773,648.53	6,456,972.50	2,971,547.07	3,058,281.70	2,982,498.02	2,990,782.83	3,603,057.00	3,132,899.34	4,163,356.77	5,293,950.50	4,298,320.61	3,660,709.61	46,386,024.48
Transportation	21,981.28	19,718.37	23,977.68	34,332.93	34,690.69	23,904.12	29,349.83	38,520.57	30,622.26	60,149.00	42,283.03	41,421.44	400,951.20
<b>Total</b>	<b>\$ 23,324,884.47</b>	<b>\$ 18,844,992.63</b>	<b>\$ 25,522,968.99</b>	<b>\$ 19,524,625.27</b>	<b>\$ 20,243,517.39</b>	<b>\$ 20,980,624.72</b>	<b>\$ 20,712,526.51</b>	<b>\$ 18,623,206.04</b>	<b>\$ 21,751,570.97</b>	<b>\$ 23,634,212.06</b>	<b>\$ 21,100,915.32</b>	<b>\$ 21,698,812.21</b>	<b>\$ 255,962,856.58</b>

The LG&E and KU Cost Allocation Manual (CAM) which was effective January 1, 2023 and was approved by the VSCC on December 20, 2022 (Case Number PUR-2022-00170) provides a description of services, the nature and frequency of services provided, and the cost apportionment methodologies.

Exhibit No. VSCC-2A	\$ 58,672,056.86
Exhibit No. VSCC-2B	149,771,975.50
Exhibit No. VSCC-2C	47,380,019.83
Exhibit No. VSCC-2D	138,804.39
<b>Total</b>	<b>\$ 255,962,856.58</b>

Convenience Payments:	
Coal Purchases	\$ 320,438,309.81
Capital Expenditures	76,781,377.34
Gas Purchases	118,571,698.29
Jointly Owned Plant Alloc	67,394,129.98
Power Sales/Purchases	61,887,040.06
Outside Services	40,762,610.48
Fringe Benefits/Overheads	31,313,921.40
Start-Up Fuel/Reagent Purchases	22,927,655.26
Equipment/Facilities	13,819,533.93
Purchased Material	6,321,404.26
Cash Received by KU on Behalf of LG&E	1,337,050.97
Transmission	8,407,803.96
Other	21,225,585.89
<b>Total</b>	<b>\$ 791,188,121.63</b>

Other Excluded Non-Service Transactions:	
Borrowing from the LKE Money Pool	\$ 749,412,597.35
Borrowing from the LG&E Money Pool	354,811,119.77
Tax Settlements	82,813,948.00
Other Net Accruals and Misc	(763,307.36)
<b>Total</b>	<b>\$ 1,186,274,357.76</b>

**Grand Total** **\$ 2,233,425,335.97**

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**January 1, 2023 - December 31, 2023**

No. 10

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions undertaken with Louisville Gas and Electric Company and LG&E and KU Services Company with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided, consistent with the Company's Cost Allocation Manual;
- 6) profit component of each arrangement/agreement where services are provided by an affiliate and how such component is determined;
- 7) comparable market values and documentation related to each arrangement/agreement;
- 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts;
- 9) allocation bases/factors for allocated costs; please see also the Company's Cost Allocation Manual for a description of allocation methods used;
- 10) list and description of each utility asset transfer over \$250,000;
- 11) list by functional group of utility assets transfers valued less than \$250,000;
- 12) dollar amount either paid to, or received by, KU/ODP per month.

**RESPONSES:**

- 1) Louisville Gas and Electric Company
- 2) Amended and Restated Utility Services Agreement, Case Numbers: PUR-2022-00170 and PUR-2023-00055
- 3) December 20, 2022 and June 13, 2023, respectively
- 4) Component costs are:

Period	Capital Expenditures	Direct-Indirect Labor	Equipment/Facilities	Benefits/Overheads	Materials/Fuels	Office and Administrative Services	Outside Services	Transmission	Total
Jan-2023	\$ 6,493,062.72	\$ 1,093,932.99	\$ 54,410.42	\$ 601,022.94	\$ 34,572.33	\$ 1,525.43	\$ 15,854.95	\$ 265.86	\$ 8,294,647.64
Feb-2023	231,796.95	1,015,658.18	55,285.64	560,879.77	154.48	485.13	43,091.50	79.06	1,907,430.71
Mar-2023	3,033,729.24	1,864,583.19	89,365.02	676,381.43	9,987.32	57,433.04	1,231,362.94	24.73	6,962,866.91
Apr-2023	2,021,534.77	1,214,949.07	54,284.03	599,893.36	13,345.26	9,551.83	474,850.39	719.91	4,389,128.62
May-2023	2,269,035.57	1,170,839.26	156,668.85	605,005.77	86.79	(1,750.50)	50,055.61	2,363.76	4,252,305.11
Jun-2023	2,764,902.53	1,067,931.60	53,752.41	661,470.02	685.56	2,144.81	20,041.27	5,305.01	4,576,233.21
Jul-2023	4,272,083.80	1,029,325.48	65,970.33	614,575.46	929.16	3,814.82	351,816.35	63,632.02	6,402,147.42
Aug-2023	2,104,108.24	1,130,367.02	53,575.29	716,145.21	5,399.94	3,981.47	401,215.19	33,556.55	4,448,348.91
Sep-2023	3,479,997.25	1,031,452.63	55,999.24	622,320.71	555.23	780.66	32,355.51	21,468.75	5,244,929.98
Oct-2023	2,916,193.88	1,066,051.20	52,954.30	955,597.90	1,230.65	1,697.57	161,175.65	14,690.31	5,169,591.46
Nov-2023	189,447.44	972,148.44	53,129.08	852,082.80	13,424.33	3,968.54	123,712.13	7,258.50	2,215,171.26
Dec-2023	1,673,155.15	1,562,226.43	72,368.12	718,002.12	11,558.37	42,015.54	729,386.94	542.96	4,809,255.63
<b>Total</b>	<b>\$ 31,449,047.54</b>	<b>\$ 14,219,465.49</b>	<b>\$ 817,762.73</b>	<b>\$ 8,183,377.49</b>	<b>\$ 91,929.42</b>	<b>\$ 125,648.34</b>	<b>\$ 3,634,918.43</b>	<b>\$ 149,907.42</b>	<b>\$ 58,672,056.86</b>

- 5) Services provided are:

Corporate Operations and Integration	\$ 7,653.07
Customer Services	106,142.40
Distribution Operations	1,726,129.15
Energy Supply and Analysis	149,907.42
Human Resources	(22,771.12)
Information Technology	708,159.45
Operating Services	626,427.27
Power Production and Generation	52,861,342.08
Safety and Technical Training	41,064.08
Supply Chain	6,409.36
Transmission Operations & Services	2,461,593.70
<b>Total</b>	<b>\$ 58,672,056.86</b>

- 6) LG&E's and KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and LG&E are priced at cost, which approximates market value.
- 8) The percentage of costs charged to capital or expense are as follows:

Capital	\$ 31,449,047.54	53.60%
Expense	27,223,009.32	46.40%
	<u>\$ 58,672,056.86</u>	<u>100.00%</u>
- 9) Allocation percentages for overhead calculations on labor as applicable in 2023 are as follows:

Part-Time Labor	68.77%
Temporary Labor and Overtime	21.34%
Full-Time Labor	68.77%

Allocation percentages for overhead calculations on material issued from inventory in 2023 are as follows:

Stores, Freight & Handling - T & D	1.78%
Stores, Freight & Handling - Production	3.37%

Allocation percentages on labor and non-labor for capital projects in 2023 are as follows:

Administrative and General	1.52%
Construction Overheads - Production	9.75%
Construction Overheads - Transmission	1.47%
Construction Overheads - Electric Distribution	33.34%

Allocation percentages for overhead calculations on all labor from departments to which a vehicle is assigned for 2023 are as follows:

Vehicle Cost Allocation	8.49%
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- 10) There were no asset transfers from LG&E to KU over \$250,000.
- 11) Transfer of assets from LG&E to KU less than \$250,000 are as follows:

Transfer of distribution transformers	\$ 420,836.76
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- 12) Payables are netted against receivables from the same affiliate (see response to question 4 in Exhibit No. 1A) and net settlements occur in the following month.

**KENTUCKY UTILITIES COMPANY  
ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH  
LG&E AND KU SERVICES COMPANY  
January 1, 2023 - December 31, 2023**

No. 10

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions undertaken with Louisville Gas and Electric Company and LG&E and KU Services Company with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided, consistent with the Company's Cost Allocation Manual;
- 6) profit component of each arrangement/agreement where services are provided by an affiliate and how such component is determined;
- 7) comparable market values and documentation related to each arrangement/agreement;
- 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts;
- 9) allocation bases/factors for allocated costs; please see also the Company's Cost Allocation Manual for a description of allocation methods used;
- 10) list and description of each utility asset transfer over \$250,000;
- 11) list by functional group of utility assets transfers valued less than \$250,000;
- 12) dollar amount either paid to, or received by, KU/ODP per month.

**RESPONSES:**

- 1) LG&E and KU Services Company
- 2) Amended and Restated Utility Services Agreement, Case Numbers: PUR-2022-00170 and PUR-2023-00055
- 3) December 20, 2022 and June 13, 2023, respectively
- 4) Component costs are:

Period	Capital Expenditures	Direct-Indirect Labor	Equipment/Facilities	Benefits/Overheads	Materials/Fuels	Office and Administrative		Total
						Services	Outside Services	
Jan-2023	\$ 1,899,033.64	\$ 4,676,997.31	\$ 1,930,554.78	\$ 3,097,247.03	\$ 64,883.98	\$ 254,807.62	\$ 1,567,346.64	\$ 13,490,871.00
Feb-2023	5,416,606.45	4,360,174.13	1,022,980.40	2,961,478.44	79,844.98	271,128.72	990,397.65	15,102,610.77
Mar-2023	2,405,754.73	4,945,727.85	1,627,824.36	1,933,730.49	73,272.05	357,548.55	1,170,088.76	12,513,946.79
Apr-2023	2,027,855.58	4,119,447.86	1,281,071.35	2,734,933.06	71,877.44	371,966.02	1,457,604.40	12,064,755.71
May-2023	1,702,853.20	4,535,762.14	1,723,942.82	3,031,709.72	71,777.39	323,509.65	1,316,889.10	12,706,444.02
Jun-2023	2,108,218.36	4,159,854.52	820,672.26	1,031,287.92	72,574.81	234,844.04	1,115,064.49	9,542,516.40
Jul-2023	2,570,420.06	3,846,316.84	629,449.03	2,776,665.74	71,610.95	262,722.63	921,485.55	11,078,670.80
Aug-2023	2,042,774.97	4,268,738.27	467,139.51	3,110,453.89	71,393.70	285,249.07	1,352,569.50	11,598,318.91
Sep-2023	3,184,916.03	3,670,474.17	1,653,818.44	2,073,931.03	72,785.73	300,908.99	917,621.18	11,874,455.57
Oct-2023	3,869,860.81	3,805,983.12	1,725,695.27	4,067,717.89	114,449.70	267,282.46	1,022,667.27	14,873,656.52
Nov-2023	5,206,745.73	3,525,487.77	1,630,273.16	2,800,890.05	71,393.70	384,756.66	1,094,652.17	14,714,199.24
Dec-2023	1,770,916.02	2,872,155.04	2,718,429.07	2,198,360.27	82,506.03	(901,788.45)	1,470,951.79	10,211,529.77
<b>Total</b>	<b>\$ 34,205,955.58</b>	<b>\$ 48,787,119.02</b>	<b>\$ 17,231,850.45</b>	<b>\$ 31,818,405.53</b>	<b>\$ 918,370.46</b>	<b>\$ 2,412,935.96</b>	<b>\$ 14,397,338.50</b>	<b>\$ 149,771,975.50</b>

- 5) Services provided are:

Corporate Operations and Integration	\$ 102,598.05
Corporate Security	2,025,830.46
Customer Services	28,730,441.30
Distribution Operations	13,821,881.88
Energy Supply and Analysis	4,912,229.11
Environmental	1,858,718.64
Executive Management Services	957,953.83
Financial	6,435,946.27
Human Resources	(3,238,236.22)
Information Technology	24,559,531.83
Office of General Counsel	2,228,517.70
Operating Services	8,558,214.70
Power Production and Generation	7,848,089.42
Public Affairs	1,709,695.40
Regulatory Affairs and Government Affairs Management Services	1,486,512.02
Safety and Technical Training	2,837,106.48
Supply Chain	611,562.65
Transmission Operations & Services	43,924,430.78
Transportation	400,951.20
<b>Total</b>	<b>\$ 149,771,975.50</b>

- 6) LG&E and KU Services Company's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.

- 7) Transfers or sales of assets, goods or services between KU and LG&E and KU Services Company are priced at cost, which approximates market value.

- 8) The percentage of costs charged to capital or expense are as follows:

Capital	\$ 34,205,955.58	22.84%
Expense	115,566,019.92	77.16%
<b>Total</b>	<b>\$ 149,771,975.50</b>	<b>100.00%</b>

- 9) Allocation percentages for overhead calculations on labor as applicable in 2023 are as follows:

Part-Time Labor	80.73%
Temporary Labor and Overtime	25.80%
Full-Time Labor	80.73%

Allocation percentages on labor and non-labor for capital projects in 2023 are as follows:  
Administrative and General 2.09%

Allocation percentages for overhead calculations on all labor from departments to which a vehicle is assigned for 2023 are as follows:  
Vehicle Cost Allocation 2.52%

- 10) There were no utility asset transfers over \$250,000.

- 11) There were no utility asset transfers under \$250,000.

- 12) Payables are netted against receivables from the same affiliate (see response to question 4 in Exhibit No. 1B) and net settlements occur in the following month.

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**PPL SERVICES CORPORATION**  
**January 1, 2023 - December 31, 2023**

No. 11

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions indirectly undertaken for the benefit of non-regulated affiliates with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the non-regulated affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and supporting documentation for each type of service provided;
- 8) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) PPL Services Corporation
- 2) Amended and Restated Utility Services Agreement, Case Numbers: PUR-2022-00170 and PUR-2023-00055
- 3) December 20, 2022 and June 13, 2023, respectively
- 4) Component costs are:

Period	Capital	Direct-Indirect	Equipment/	Benefits/	Materials/	Office and	Outside Services	Total
	Expenditures	Labor	Facilities	Overheads	Fuels	Administrative Services		
Jan-2023	\$ 116,427.91	\$ 659,730.85	\$ 26,016.62	\$ 511,592.98	\$ 49.82	\$ 131,266.18	\$ 94,281.47	\$ 1,539,365.83
Feb-2023	151,577.46	681,845.73	20,971.16	311,469.46	691.07	67,910.50	600,485.77	1,834,951.15
Mar-2023	137,530.13	1,616,870.00	228,861.71	762,863.17	525.66	182,904.93	2,987,260.86	5,916,816.46
Apr-2023	59,856.39	1,008,025.68	139,128.35	448,632.87	475.29	275,403.67	1,130,862.67	3,062,384.92
May-2023	72,886.05	1,171,299.67	116,853.75	550,392.81	941.75	127,173.22	1,382,915.86	3,422,463.11
Jun-2023	3,339,162.62	1,136,323.95	110,936.21	512,538.28	1,322.35	164,712.15	1,458,075.16	6,723,070.72
Jul-2023	71,677.40	1,097,640.48	176,103.24	497,577.24	278.80	234,091.48	1,154,339.65	3,231,708.29
Aug-2023	67,879.88	1,394,163.93	116,740.80	636,960.75	386.09	99,889.97	260,516.80	2,576,538.22
Sep-2023	619,102.62	1,259,930.49	185,187.67	572,214.11	699.42	88,129.20	1,906,921.91	4,632,185.42
Oct-2023	210,076.79	1,377,681.79	140,298.89	630,825.00	584.39	320,129.75	911,367.47	3,590,964.08
Nov-2023	835,682.35	1,288,786.17	118,909.01	585,173.05	1,017.74	278,424.71	1,063,551.79	4,171,544.82
Dec-2023	3,394,675.98	1,104,914.69	134,631.91	237,073.85	1,319.38	351,540.53	1,453,870.47	6,678,026.81
<b>Total</b>	<b>\$ 9,076,535.58</b>	<b>\$ 13,797,213.43</b>	<b>\$ 1,514,639.32</b>	<b>\$ 6,257,313.57</b>	<b>\$ 8,291.76</b>	<b>\$ 2,321,576.29</b>	<b>\$ 14,404,449.88</b>	<b>\$ 47,380,019.83</b>

- 5) Services provided are:

Corporate	\$ 173,842.08
Corporate Audit Services	713,703.82
Corporate Operations and Integration	1,538,121.86
Corporate Security	468,900.49
Customer Services	1,939.79
Enterprise Security	1,118,715.34
Executive Management Services	544,209.06
Financial	7,371,875.29
Human Resources	4,153,174.04
Information Technology	18,849,393.08
Office of General Counsel	7,977,453.28
Operating Services	425,641.18
Public Affairs	747,846.59
Regulatory Affairs and Government Affairs Management Services	39,096.66
Safety and Technical Training	62,822.23
Supply Chain	3,193,285.04
<b>Total</b>	<b>\$ 47,380,019.83</b>

- 6) KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and LG&E and KU Services Company (on behalf of PPL Services Corporation) are priced at cost, which approximates market value.
- 8) Settlements occur in the following month primarily through LKS.

**KENTUCKY UTILITIES COMPANY**  
**ANNUAL REPORT OF AFFILIATE TRANSACTIONS WITH**  
**PPL ELECTRIC UTILITIES CORPORATION**  
**January 1, 2023 - December 31, 2023**

No. 11

Kentucky Utilities Company, d/b/a/ Old Dominion Power Company, shall file an Annual Report of Affiliate Transactions indirectly undertaken for the benefit of non-regulated affiliates with the Director of the Division of Utility Accounting and Finance (formerly "Public Utility Accounting") of the Commission by no later than May 1 of each year, for the preceding calendar year, beginning May 1, 1999. Such report should include the following information:

- 1) identification of the non-regulated affiliates involved in each transaction;
- 2) description of each affiliate arrangement/agreement and case number in which the transactions were approved;
- 3) dates of each affiliate arrangement/agreement;
- 4) description of transactions by component cost by month and in total;
- 5) description of services provided;
- 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined;
- 7) comparable market values and supporting documentation for each type of service provided;
- 8) dollar amount either paid to, or received by, KU/ODP for each transaction per month.

**RESPONSES:**

- 1) PPL Electric Utilities Corporation
- 2) Utility Services Agreement for Mutual Assistance, Case Numbers: PUR-2018-00049 and PUR-2023-00055
- 3) June 29, 2018 and June 13, 2023, respectively
- 4) Component costs are:

<u>Period</u>	<u>Capital Expenditures</u>	<u>Direct-Indirect Labor</u>	<u>Office and Administrative Services</u>	<u>Total</u>
Mar-2023	94,448.92	30,758.36	4,131.55	129,338.83
Apr-2023	6,032.81	2,010.95	312.26	8,356.02
May-2023	(100,481.73)	(32,769.31)	(4,443.81)	(137,694.85)
Jun-2023	101,424.14	33,004.36	4,375.89	138,804.39
<b>Total</b>	<b>\$ 101,424.14</b>	<b>\$ 33,004.36</b>	<b>\$ 4,375.89</b>	<b>\$ 138,804.39</b>

- 5) Services provided are:

Distribution Operations	138,804.39
<b>Total</b>	<b>\$ 138,804.39</b>

- 6) KU's cost allocation policies are to use at-cost pricing for affiliate transactions, without any profit component.
- 7) Transfers or sales of assets, goods or services between KU and PPL Electric Utilities Corporation are priced at cost, which approximates market value.
- 8) Settlements occur in the following month.

**Reconciliation of KU 2023 Form 1 and Form 60 to VA ARAT VSCC-2 (Services Only View)**

	Form 1			PPL Electric Utilities Corporation	
	Louisville Gas and Electric Company	LG&E and KU Services Company (LKS)	PPL Services Corporation		Total
<b>Non-Power Goods or Services Provided by Affiliate:</b>					
Capital Expenditures	31,449,048.00	34,205,956.00	9,076,536.00	-	74,731,540.00
Direct-Indirect Labor	22,402,843.00	80,605,525.00	20,054,527.00	-	123,062,895.00
Equipment and Facilities	817,763.00	17,231,850.00	1,514,639.00	-	19,564,252.00
Materials and Fuels	91,929.00	918,370.00	8,292.00	-	1,018,591.00
Office and Administrative Services	125,648.00	2,412,936.00	2,321,576.00	-	4,860,160.00
Outside Services	3,634,919.00	14,397,339.00	14,404,450.00	-	32,436,708.00
Transmission	149,907.00	-	-	-	149,907.00
<b>Total Filed on Form 1, Page 429</b>	<b>\$ 58,672,057.00</b>	<b>\$ 149,771,976.00</b>	<b>\$ 47,380,020.00</b>	<b>\$ -</b>	<b>\$ 255,824,053.00</b>
<b>Reconciling Items from Form 1 to VA ARAT (Services Only View):</b>					
Affiliate Amount Below Reporting Threshold	-	-	-	138,804.39	138,804.39
<b>Total</b>	<b>\$ 58,672,057.00</b>	<b>\$ 149,771,976.00</b>	<b>\$ 47,380,020.00</b>	<b>\$ 138,804.39</b>	<b>\$ 255,962,857.39</b>
VA ARAT (VSCC-2) Services Only View	58,672,056.86	149,771,975.50	47,380,019.83	138,804.39	255,962,856.58
Difference (rounding)	0.14	0.50	0.17	-	0.81
<b>Reconciling Items to Form 60:</b>					
Error in recording revenue from LKS		(2,459.00)			
<b>Total</b>		<b>\$ 149,769,516.50</b>			
Form 60, Page 307 Billings From LKS to KU		149,769,517.00			
Difference (rounding)		0.50			







2023 VA ARAT  
 KU Recipient of Service (Payables)  
 LKS billings to KU/ODP by FERC account by month  
 Order Granting Approval, Appendix Item 12b  
 CASE NO. PUR-2018-00049

Other Excluded Non-Service Transactions

FERC Account	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Total
107	\$(1,861,242.57)	\$ 409,818.79	\$ 660,948.50	\$ 97,671.38	\$(639,974.67)	\$ 586,450.21	\$ 380,731.31	\$(272,358.35)	\$(565,851.84)	\$ 371,534.99	\$(534,850.43)	\$(61,345.00)	\$(1,418,467.68)
108	3,384.92	(18,017.55)	7,649.35	10,824.10	(8,694.08)	(9,779.37)	3,944.04	(639.89)	13,663.30	(2,917.30)	(12,551.33)	46,293.91	33,160.10
163	(51,190.00)	78,338.00	1,728.00	4,777.00	(32,319.00)	35,482.00	(42,106.00)	(21,020.00)	62,510.00	(53,566.00)	7,177.00	19,105.00	8,916.00
165	553,997.65	(337,749.03)	(492,568.93)	7,719.07	214,722.18	(22,463.19)	(193,510.49)	194,245.14	7,110.90	(208,541.87)	13,953.20	217,946.44	(45,138.93)
184	125,351.44	(91,796.48)	(41,291.81)	21,632.75	68,685.78	(70,932.96)	200,728.01	(170,053.65)	54,754.15	143,589.04	(110,348.86)	(172,942.20)	(42,624.79)
188	-	-	-	-	-	-	-	-	-	-	8,206.00	-	8,206.00
232	-	-	-	(3,320.42)	3,320.42	(4,761.90)	(733.30)	5,495.20	-	-	-	-	-
236	(51,604.09)	(15,305.85)	(47,951.63)	(69,193.09)	(245,577.44)	(17,290.67)	(80,301.08)	(57,005.63)	108,709.61	(65,774.87)	(43,017.18)	(126,569.84)	(710,881.76)
408.1	520.00	520.00	520.00	520.00	520.00	570.00	530.00	530.00	530.00	530.00	(2,142.09)	-	3,157.91
417.1	-	-	-	10,498.00	(10,498.00)	-	-	-	-	-	-	-	-
419	(30.48)	-	-	-	-	-	(3.33)	-	-	-	-	-	(33.81)
426.3	-	-	-	-	-	-	-	-	-	-	-	21,380.16	21,380.16
426.4	-	-	1,079.10	-	-	-	-	-	10,709.45	92.81	-	140.80	12,022.16
426.5	(8,503.57)	250.25	(357.50)	660.37	(540.31)	540.32	(540.31)	-	-	-	5,395.50	9,588.26	6,493.01
500	(71,669.89)	67,623.59	49,531.72	(51,130.66)	10.83	-	-	7.22	-	-	-	-	(5,627.19)
501	(259.46)	623.89	526.93	(1,649.93)	5,964.20	(4,780.52)	1,356.95	-	(767.37)	767.37	(811.49)	1,160.10	2,130.67
502	(4,506.56)	-	327.60	(327.60)	1,741.22	(1,741.22)	-	-	133.29	(133.29)	1,842.97	7,585.66	4,922.07
506	36,368.12	(19,783.19)	(49,386.30)	(8,297.08)	57,709.21	(57,495.14)	(3,353.35)	42,584.67	(2,632.45)	(15,311.27)	(3,573.64)	59,804.80	36,634.38
510	(122,898.90)	(19,710.29)	4,071.78	(2,489.56)	7,811.23	(3,945.83)	1,754.37	7,500.15	22,472.44	41,200.05	8,733.72	(35,768.69)	(91,269.53)
511	(3,429.44)	(3,855.76)	994.92	7,541.95	(7,436.00)	(1,814.51)	978.62	341.69	(1,865.31)	4,397.97	(1,911.74)	9,115.38	3,057.77
556	-	-	-	-	-	37,604.78	-	-	(37,604.78)	-	-	-	-
560	-	3.25	-	-	-	9,165.00	(9,306.00)	-	-	-	-	-	(137.75)
561.2	-	-	-	-	-	-	-	-	(7,512.12)	-	-	7,512.12	-
561.5	-	-	-	-	-	-	-	-	(6,646.20)	-	-	6,646.20	-
563	-	3,303.17	(3,303.17)	-	-	-	-	-	-	-	-	-	-
566	173,813.88	42,657.81	24,911.97	(70,387.42)	4,664.01	(1,686.89)	205,779.00	(130.45)	(80,278.83)	205,259.56	84,069.76	6,710.56	595,382.96
569.2	23,562.32	(24,862.32)	7,150.00	(7,150.00)	8,490.30	(2,600.00)	47,806.44	(47,057.34)	152,546.62	(5,039.10)	(121,724.62)	10,342.86	41,465.16
571	(8,520.00)	-	142,039.77	(14,659.69)	(121,377.68)	(709.20)	(4,333.20)	-	-	1,322.00	(1,322.00)	-	(7,560.00)
573	(577.15)	(2,596.18)	739.72	8,583.88	(9,425.00)	1,779.42	(882.80)	(924.00)	-	-	-	-	(3,302.11)
576.3	(3,649.00)	-	-	-	-	4,172.02	(4,172.02)	-	936.45	(936.45)	-	-	(3,649.00)
580	2,283.37	2,444.60	(1,456.57)	(491.05)	1,937.22	(1,359.49)	(423.59)	1,122.42	2,327.47	(2,232.27)	190.84	3,544.32	7,887.27
586	(525.90)	-	-	-	-	-	-	-	-	-	-	-	(525.90)
588	(161,562.04)	254,627.44	157,481.40	(324,032.21)	(37.09)	(115,581.40)	3,681.93	7,470.68	19,652.83	(16,754.86)	32,700.76	(9,703.82)	(152,056.38)
592	569.50	(569.50)	-	-	-	-	-	-	-	-	-	-	-
593	(1,136.80)	837.76	756.00	(3,622.08)	9,418.08	2,217.60	(2,109.52)	0.56	2,142.56	(1,676.08)	(560.00)	(2,416.96)	3,851.12
597	(186.63)	(10,812.85)	-	-	-	-	-	-	-	-	-	-	(10,999.48)
598	-	-	-	-	-	171.00	-	(171.00)	-	568.15	(568.15)	229.58	229.58
901	(9,603.05)	(1,496.55)	(9,986.76)	(1,585.19)	(317.90)	369.05	57.20	1,724.71	(1,832.79)	(42.35)	10,929.31	(10,237.60)	(22,021.92)
903	36,565.31	(8,169.64)	329,763.33	(43,599.37)	62,794.03	(74,498.38)	149,166.56	20,685.78	163,394.64	(36,167.64)	(143,760.67)	(231,506.08)	224,667.87
907	(2,238.50)	-	-	-	-	-	-	-	-	-	-	-	(2,238.50)
908	1,628.00	(719.00)	2,121.00	(303.00)	25,818.95	3,342.89	(26,780.98)	11,529.96	(519.72)	(8,888.00)	6,875.00	(12,531.00)	1,574.10
909	(17,382.20)	(3,908.30)	657.80	(657.80)	-	-	-	-	-	-	-	-	(21,290.50)
910	462.00	19,866.55	(14,621.25)	(2,737.31)	(2,695.00)	9,640.95	5,146.90	7,537.15	(19,226.85)	22,780.42	(25,593.23)	27,717.17	28,277.50
913	(1,013.65)	894.85	1,105.50	1,105.50	3,806.00	(236.50)	590.70	(153.45)	(1,128.05)	(1,236.95)	(1,152.25)	(1,595.00)	(2,824.25)
920	-	-	-	-	-	12,640.40	(12,640.40)	-	1,051,149.28	(1,051,149.28)	-	-	-
921	(591,267.88)	488,563.84	79,989.38	(46,160.91)	26,209.01	1,124.78	54,917.93	(10,078.60)	4,441.90	25,189.06	30,016.08	39,806.59	102,751.18
923	(11,840.89)	34,946.38	66,583.73	(110,032.79)	(72,321.84)	60,009.01	440,319.71	(151,541.53)	(1,851.53)	45,045.08	(211,095.75)	19,639.25	107,858.83
924	-	-	-	843,210.11	(843,210.11)	-	-	-	-	-	-	-	-
926	(545.60)	-	44,727.00	(42,534.15)	(2,153.65)	64,010.00	(64,010.00)	-	84,881.00	(84,881.00)	-	-	(506.40)
928	-	-	-	-	-	-	-	-	-	-	324,837.81	(324,837.81)	-
930.1	-	-	-	-	-	-	-	-	-	-	-	40,700.00	40,700.00
930.2	(119,061.43)	(158,441.21)	39,815.79	7,664.40	(38,778.71)	64,780.28	(38,227.40)	(11,027.40)	56,210.88	(47,714.64)	3,422.36	409,422.87	168,065.79
931	(1,205.26)	(572.38)	1,121.51	(1,121.51)	-	-	0.00	-	0.00	-	0.00	0.00	(1,777.64)
935	(34,884.99)	9,353.61	(4,828.71)	772.62	(6,501.72)	3,583.42	(906.82)	3,386.23	(9,408.37)	(3,865.28)	11,073.71	(6,274.02)	(38,500.32)
<b>Total Other Excluded Non-Service Transactions</b>	<b>\$(2,182,029.42)</b>	<b>\$ 696,307.70</b>	<b>\$ 956,778.22</b>	<b>\$ 217,698.31</b>	<b>\$(1,538,185.53)</b>	<b>\$ 505,935.96</b>	<b>\$ 1,013,149.08</b>	<b>\$(437,999.73)</b>	<b>\$ 1,081,150.56</b>	<b>\$(744,552.00)</b>	<b>\$ (651,401.09)</b>	<b>\$(35,494.31)</b>	<b>\$(1,118,642.25)</b>
<b>Grand Total</b>	<b>\$ 58,432,102.40</b>	<b>\$ 49,616,792.59</b>	<b>\$ 51,083,926.02</b>	<b>\$ 48,609,188.48</b>	<b>\$ 65,092,017.56</b>	<b>\$ 52,055,584.67</b>	<b>\$ 42,090,870.36</b>	<b>\$ 52,281,168.00</b>	<b>\$ 47,981,135.48</b>	<b>\$ 45,127,084.14</b>	<b>\$ 50,465,865.07</b>	<b>\$ 39,011,890.73</b>	<b>\$ 601,847,625.50</b>

2023 VA ARAT  
 KU Recipient of Service (Payables)  
 Difference in FERC Account for LKS billings between KU/ODP's books and LKS' books  
 Order Granting Approval, Appendix Item 12c  
 CASE NO. PUR-2018-00049

12c) An annual schedule that reconciles any differences in the FERC account distribution of LKS billings as they are recorded on KU/ODP's books and LKS's books;

RESPONSE:

Differences in FERC account distributions of LKS billings<sup>1</sup>

Services	As recorded on KU/ODP's books	FERC Account	As recorded on LKS' books
107	31,913,042.46	408.1 412 925 926 <b>Total</b>	590,837.35 29,237,593.85 1,162.11 2,083,449.15 <b>31,913,042.46</b>
108	2,292,913.12	408.1 412 925 926 <b>Total</b>	89,214.89 1,901,474.41 156.84 302,066.98 <b>2,292,913.12</b>
128	16,230.00	926	<b>16,230.00</b>
163	627,173.16	408.1 412 925 926 <b>Total</b>	30,938.16 483,372.50 63.07 112,799.43 <b>627,173.16</b>
165	11,372,961.25	412	<b>11,372,961.25</b>
182.3	(4,050,611.44)	412 926 <b>Total</b>	1,979.86 (4,052,591.30) <b>(4,050,611.44)</b>
183	1,189,029.13	408.1 412 925 926 <b>Total</b>	53,749.01 917,246.16 152.71 217,881.25 <b>1,189,029.13</b>
183.2	9,117.96	408.1 412 925 926 <b>Total</b>	505.34 6,992.47 1.83 1,618.32 <b>9,117.96</b>
184	22,102,975.96	408.1 412 925 926 <b>Total</b>	813,031.15 18,856,319.95 1,451.31 2,432,173.55 <b>22,102,975.96</b>
186	514,241.78	412 <b>Total</b>	514,241.78 <b>514,241.78</b>
188	(433.48)	408.1 412 925 926 <b>Total</b>	375.14 (1,444.25) (4.77) 640.40 <b>(433.48)</b>
228.3	(304,626.00)	926	<b>(304,626.00)</b>
232	(5,860.93)	412	<b>(5,860.93)</b>
<b>Total Differences in Services</b>	<b>65,676,152.97</b>		<b>65,676,152.97</b>

<sup>1</sup> The report excludes convenience payments, of which the largest component is fuel, and other excluded non-service transactions. These are considered pass-through items for the service company whereby an intercompany receivable is recorded with a corresponding credit to cash, and for which no revenue or cost of sales is recorded on its books.

THIS FILING IS

Item 1:

An Initial (Original) Submission

OR

Resubmission No.



## **FERC FINANCIAL REPORT FERC FORM No. 60: Annual Report of Centralized Service Companies**

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

<b>Exact Legal Name of Respondent (Company)</b> LG&E and KU Services Company	Year/Period of Report: End of: 2023/ Q4
---------------------------------------------------------------------------------	--------------------------------------------

**FERC FORM NO. 60 (12-06)**

# GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60

## I. Purpose

Form No. 60 is an annual regulatory support requirement under 18 C.F.R. § 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

## II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to 18 C.F.R. § 366.3 and § 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

## III. How to Submit

Submit FERC Form Nos. 2, 2-A and 3-Q electronically through the eCollection portal at <https://eCollection.ferc.gov>, and according to the specifications in the Form 60 taxonomy.

## IV. When to Submit

Submit FERC Form No. 60 according to the filing date contained 18 C.F.R. § 369.1 of the Commission's regulations.

## V. Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 C.F.R. § 367) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

## VI. Time Period

This report covers the entire calendar year.

## VII. Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

## VIII. Accuratness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

## IX. Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

## X. Date Format FERC FORM NO. 60

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

## XI. Number Format

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

## XII. Required Entries

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

## XIII. Prior Year References

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

## XIV. Where to Send Comments on Public Reporting Burden

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- o the time for reviewing instructions, searching existing data sources,
- o gathering and maintaining the data-needed, and
- o completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO ),  
888 First Street NE,  
Washington, DC 20426  
or by email to [DataClearance@ferc.gov](mailto:DataClearance@ferc.gov)

And to:

Office of Information and Regulatory Affairs,  
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal Energy Regulatory Commission).  
Comments to OMB should be submitted by email to: [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov)

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

### DEFINITIONS

- I. Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

**FERC FORM NO. 60  
REPORT OF CENTRALIZED SERVICE COMPANIES**

**Identification**

01 Exact Legal Name of Respondent LG&E and KU Services Company	02 Year / Period of Report 2023/ Q4
03 Previous Name (if name changed during the year)	04 Date of Name Change
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 220 W Main Street, Louisville, Kentucky 40202	06 Name of Contact Person Jeanne Kugler
07 Title of Contact Person Regulatory Reporting Manager	08 Address of Contact Person 220 W Main Street, Louisville, KY 40202
09 Telephone Number of Contact Person (502) 627- 4779	10 E-mail Address of Contact Person jmkugler@pplweb.com
11 This Report is An Original / A Resubmission (1) <input checked="" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission	12 Date of Report 04/26/2024
13 Date of Incorporation 06/02/2000	14 If Not Incorporated, Date of Organization
15 State or Sovereign Power Under Which Incorporated or Organized KY	
16 Name of Principal Holding Company Under Which Reporting Company is Organized: PPL Corporation	

**CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

17 Name of Signing Officer Christopher M. Garrett	19 Signature of Signing Officer Christopher M. Garrett	20 Date Signed (Month, Day, Year) 04/26/2024
18 Title of Signing Officer VP - Finance and Accounting		

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**List of Schedules**

1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.

Line No.	Description (a)	Page Reference (b)	Remarks (c)
1	Schedule I - Comparative Balance Sheet	<a href="#">101</a>	
2	Schedule II - Service Company Property	<a href="#">103</a>	
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	<a href="#">104</a>	
4	Schedule IV - Investments	<a href="#">105</a>	
4.1	Schedule IV - Investments - Other Investments	<a href="#">105</a>	None
4.2	Schedule IV - Investments - Other Special Funds	<a href="#">105</a>	
4.3	Schedule IV - Investments - Temporary Cash Investments	<a href="#">105</a>	None
5	Schedule V - Accounts Receivable from Associate Companies	<a href="#">106</a>	
6	Schedule VI - Fuel Stock Expenses Undistributed	<a href="#">107</a>	None
7	Schedule VII - Stores Expense Undistributed	<a href="#">108</a>	None
8	Schedule VIII - Miscellaneous Current and Accrued Assets	<a href="#">109</a>	None
9	Schedule IX - Miscellaneous Deferred Debits	<a href="#">110</a>	
10	Schedule X - Research, Development, or Demonstration Expenditures	<a href="#">111</a>	None
11	Schedule XI - Proprietary Capital	<a href="#">201</a>	
12	Schedule XII - Long-Term Debt	<a href="#">202</a>	None
13	Schedule XIII - Current and Accrued Liabilities	<a href="#">203</a>	
14	Schedule XIV - Notes to Financial Statements	<a href="#">204</a>	
15	Schedule XV - Comparative Income Statement	<a href="#">301</a>	
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	<a href="#">303</a>	
17	Schedule XVII - Analysis of Billing - Associate Companies (Account 457)	<a href="#">307</a>	
18	Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)	<a href="#">308</a>	
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	<a href="#">309</a>	
23	Schedule XX - Organization Chart	<a href="#">401</a>	
24	Schedule XXI - Methods of Allocation	<a href="#">402</a>	





Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule I - Comparative Balance Sheet**

1. Give balance sheet of the Company as of December 31 of the current and prior year.

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		<b>Service Company Property</b>			
2	101	Service Company Property	103	10,130,477	10,445,936
3	101.1	Property Under Capital Leases	103	0	0
4	106	Completed Construction Not Classified		0	0
5	107	Construction Work In Progress	103	(1,201,120)	73,666
6		Total Property (Total Of Lines 2-5)		8,929,357	10,519,602
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	7,513,880	6,671,201
8	111	Less: Accumulated Provision for Amortization of Service Company Property		0	0
9		Net Service Company Property (Total of Lines 6-8)		1,415,477	3,848,401
10		<b>Investments</b>			
11	123	Investment In Associate Companies	105	0	0
12	124	Other Investments	105	0	0
13	128	Other Special Funds	105	8,382,278	9,162,021
14		Total Investments (Total of Lines 11-13)		8,382,278	9,162,021
15		<b>Current And Accrued Assets</b>			
16	131	Cash		3,193	3,000
17	134	Other Special Deposits		0	0
18	135	Working Funds		0	0
19	136	Temporary Cash Investments	105	0	0
20	141	Notes Receivable		0	853,972
21	142	Customer Accounts Receivable		0	0
22	143	Accounts Receivable		1,182,687	1,373,441
23	144	Less: Accumulated Provision for Uncollectible Accounts		0	0
23.1	145	Notes Receivable From Associate Companies		0	0

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
24	146	Accounts Receivable From Associate Companies	106	262,182,094	265,281,355
25	152	Fuel Stock Expenses Undistributed	107	0	0
26	154	Materials And Supplies		0	0
27	163	Stores Expense Undistributed	108	0	0
28	165	Prepayments		2,723,380	213,440
29	171	Interest And Dividends Receivable		0	0
30	172	Rents Receivable		0	0
31	173	Accrued Revenues		0	0
32	174	Miscellaneous Current and Accrued Assets	109	0	0
33	175	Derivative Instrument Assets		0	0
34	176	Derivative Instrument Assets - Hedges		0	0
35		Total Current and Accrued Assets (Total of Lines 16-34)		266,091,354	267,725,208
36		<b>Deferred Debits</b>			
37	181	Unamortized Debt Expense		0	0
38	182.3	Other Regulatory Assets		0	0
39	183	Preliminary Survey And Investigation Charges		0	0
40	184	Clearing Accounts		82	(2)
41	185	Temporary Facilities		0	0
42	186	Miscellaneous Deferred Debits	110	0	(778,948)
43	188	Research, Development, or Demonstration Expenditures	111	0	0
44	189	Unamortized Loss on Reacquired Debt		0	0
45	190	Accumulated Deferred Income Taxes		53,656,066	50,487,003
46		Total Deferred Debits (Total of Lines 37-45)		53,656,148	49,708,053
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		329,545,257	330,443,683
48		<b>Proprietary Capital</b>			
49	201	Common Stock Issued	201	100	100
50	204	Preferred Stock Issued	201	0	0
51	211	Miscellaneous Paid-In-Capital	201	100,000,900	100,000,900
52	215	Appropriated Retained Earnings	201	0	0
53	216	Unappropriated Retained Earnings	201	(10,174,137)	(9,570,696)
54	219	Accumulated Other Comprehensive Income	201	(67,638,652)	(50,165,296)

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
55		Total Proprietary Capital (Total of Lines 49-54)		22,188,211	40,265,008
56		<b>Long-Term Debt</b>			
57	223	Advances From Associate Companies	202	0	0
58	224	Other Long-Term Debt	202	0	0
59	225	Unamortized Premium on Long-Term Debt		0	0
60	226	Less: Unamortized Discount on Long-Term Debt-Debit		0	0
61		Total Long-Term Debt (Total of Lines 57-60)		0	0
62		<b>Other Non-current Liabilities</b>			
63	227	Obligations Under Capital Leases-Non-current		0	0
64	228.2	Accumulated Provision for Injuries and Damages		0	0
65	228.3	Accumulated Provision For Pensions and Benefits		209,942,458	186,387,661
66	230	Asset Retirement Obligations		0	0
67		Total Other Non-current Liabilities (Total of Lines 63-66)		209,942,458	186,387,661
68		<b>Current and Accrued Liabilities</b>			
69	231	Notes Payable		0	0
70	232	Accounts Payable		43,664,664	49,439,910
71	233	Notes Payable to Associate Companies	203	0	0
72	234	Accounts Payable to Associate Companies	203	17,703,237	15,770,036
73	236	Taxes Accrued		1,474,737	1,517,400
74	237	Interest Accrued		0	0
75	241	Tax Collections Payable		308,009	379,961
76	242	Miscellaneous Current and Accrued Liabilities	203	23,744,852	25,334,127
77	243	Obligations Under Capital Leases - Current		0	0
78	244	Derivative Instrument Liabilities		0	0
79	245	Derivative Instrument Liabilities - Hedges		0	0
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		86,895,499	92,441,434
81		<b>Deferred Credits</b>			
82	253	Other Deferred Credits		11,663,122	12,301,800
83	254	Other Regulatory Liabilities		0	0
84	255	Accumulated Deferred Investment Tax Credits		0	0
85	257	Unamortized Gain on Reacquired Debt		0	0

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
86	282	Accumulated deferred income taxes-Other property		(1,144,033)	(952,220)
87	283	Accumulated deferred income taxes-Other		0	0
88		Total Deferred Credits (Total of Lines 82-87)		10,519,089	11,349,580
89		TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)		329,545,257	330,443,683
<b>Page 101</b>					

FOOTNOTE DATA

(a) Concept: ConstructionWorkInProgress

Credit due to the clearing of overhead allocations to construction work in progress that will be allocated to LG&E and KU in 2024.

(b) Concept: MiscellaneousPaidInCapital

Miscellaneous Paid-In Capital had no activity in 2023; therefore, the balance at December 31, 2023 is unchanged as compared to the balance at December 31, 2022.

(c) Concept: AccumulatedOtherComprehensiveIncome

Refer to Note 8, Accumulated Other Comprehensive Income (Loss) for further discussion.

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
	(2) <input type="checkbox"/> A Resubmission		

**Schedule II - Service Company Property**

1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote.
2. Describe each construction work in progress on lines 18 through 30 in Column (b).

Line No.	Account # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)
1	301	Organization	0				0
2	303	Miscellaneous Intangible Plant	159,430		142,957		16,473
3	306	Leasehold Improvements	0				0
4	389	Land and Land Rights	0				0
5	390	Structures and Improvements	9,365,955		0		9,365,955
6	391	Office Furniture and Equipment	835,612		172,013		663,599
7	392	Transportation Equipment	0				0
8	393	Stores Equipment	0				0
9	394	Tools, Shop and Garage Equipment	0				0
10	395	Laboratory Equipment	0				0
11	396	Power Operated Equipment	0				0
12	397	Communications Equipment	84,939		489		84,450
13	398	Miscellaneous Equipment	0				0
14	399	Other Tangible Property	0				0
15	399.1	Asset Retirement Costs	0				0
16		Total Service Company Property (Total of Lines 1-15)	10,445,936	0	315,459	0	10,130,477
17	107	Construction Work in Progress:					
18		Structures, Improvements, Office Furniture/Equipment, and Other	73,666			(1,274,786)	(1,201,120)
19			0				
31		Total Account 107 (Total of Lines 18-30)	73,666	0		(1,274,786)	(1,201,120)
32		Total (Lines 16 and Line 31)	10,519,602	0		(1,274,786)	8,929,357

FOOTNOTE DATA

(a) Concept: ConstructionWorkInProgress

Credit due to the clearing of overhead allocations to construction work in progress that will be allocated to LG&E and KU in 2024.



Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
-----------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------	------------------------------	--------------------------------------------

**Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property**

1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.

Line No.	Account Number (a)	Description (b)	Balance at Beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Changes Additions (Deductions) (f)	Balance at Close of Year (g)
1	301	Organization	0				0
2	303	Miscellaneous Intangible Plant	147,989	11,214	142,957	0	16,246
3	306	Leasehold Improvements	0				0
4	389	Land and Land Rights	0				0
5	390	Structures and Improvements	5,928,417	1,102,317	0	0	7,030,734
6	391	Office Furniture and Equipment	526,430	33,442	172,014	0	387,858
7	392	Transportation Equipment	0				0
8	393	Stores Equipment	0				0
9	394	Tools, Shop and Garage Equipment	0				0
10	395	Laboratory Equipment	0				0
11	396	Power Operated Equipment	0				0
12	397	Communications Equipment	68,365	11,166	489	0	79,042
13	398	Miscellaneous Equipment	0				0
14	399	Other Tangible Property	0				0
15	399.1	Asset Retirement Costs	0				0
16		Total	6,671,201	1,158,139	315,460	0	7,513,880

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
-----------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------	------------------------------	--------------------------------------------

**Schedule IV - Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	123	Investment In Associate Companies	0	0
2	124	Other Investments	0	0
3	128	Other Special Funds	9,162,021	8,382,278
4	136	Temporary Cash Investments	0	0
5		(Total of Line 1-4)	9,162,021	8,382,278

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
-----------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------	------------------------------	--------------------------------------------

**Schedule IV - Investments - Other Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Investment Description (a)	Name of Issuing Company (b)	Number of Shares Held (c)	Principal Investment Amount (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule IV - Investments - Other Special Funds**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Investment Description (a)	Name of Issuing Company (b)	Number of Shares Held (c)	Principal Investment Amount (d)
1	Post-retirement plan			8,382,278

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule IV - Investments - Temporary Cash Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Investment Description (a)	Balance at Close of Year (b)
1		
2		
3		
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Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule V - Accounts Receivable from Associate Companies**

1. List the accounts receivable from each associate company.
2. If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)	Total Accommodation or Convenience Payments (e)
1	146	<b>Accounts Receivable From Associate Companies</b>			
2		<b>Associate Company:</b>			
3		PPL Electric Utilities Corporation	139,146	(2,854)	
4		LG&E and KU Capital LLC	141,274,452	169,379,043	893,176
5		FCD LLC	400	894	361
6		Kentucky Utilities Company	62,052,449	43,059,875	453,194,292
7		Louisville Gas and Electric Company	58,236,422	49,303,023	444,550,885
8		Western Kentucky Energy Corp.	643	2,206	6,052
9		LG&E and KU Energy LLC	4,600		8,544
10		PPL Rhode Island Holdings, LLC	305,999	208,556	
11		PPL Corporation	2,924,658	204,459	775,943
12		PPL Services Corporation			5,813,284
13		PPL Translink Inc			333
14		The Narragansett Electric Company	342,586	26,892	
40	Total		265,281,355	262,182,094	

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule VI - Fuel Stock Expenses Undistributed**

1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company.
2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.

Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	152	Fuel Stock Expenses Undistributed			
2		Associate Company:			
3				0	0
40	Total		0	0	0

FOOTNOTE DATA

[\(a\)](#) Concept: FuelStockExpensesUndistributedExpenses

Fuel functions provided are primarily accounted for as convenience payments for fuel contract settlements or services provided by LKS as an administrative agent, paying agent or other representative capacity, for the respective affiliate(s). The following fuel related services are provided by LKS and charged to the respective FERC accounts of the affiliates:

- Procurement of fuel, scrubber reagent, ammonia, and SO3 mitigation chemicals
- Transportation service to move these commodities from the loading point to the power plant
- Monitoring of quality, inventory level, and forecasted requirements
- Making purchases as needed on a timely basis
- Preparing bid solicitation for coal, and other commodities, as necessary, and evaluating those bids
- Negotiating and writing the contracts and purchase orders
- Contract Administration



Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule VII - Stores Expense Undistributed**

1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	163	<b>Stores Expense Undistributed</b>			
2		<b>Associate Company:</b>			
3					0
40	<b>Total</b>		0	0	0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule VIII - Miscellaneous Current and Accrued Assets**

1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	174	<b>Miscellaneous Current and Accrued Assets</b>		
2		<b>Item List:</b>		
3		None.	0	
4			0	
5			0	
40	Total		0	0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule IX - Miscellaneous Deferred Debits**

1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	186	<b>Miscellaneous Deferred Debits</b>		
2		<b>Item List:</b>		
3		Year end pension and post-retirement deferrals	(778,948)	0
40	Total		(778,948)	0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule X - Research, Development, or Demonstration Expenditures**

1. Describe each material research, development, or demonstration project that incurred costs by the service company during the year. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Amount (c)
1	188	Research, Development, or Demonstration Expenditures	
2		Project List:	
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
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21			
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23			
24			

Line No.	Account Number (a)	Title of Account (b)	Amount (c)
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
40	Total		0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XI - Proprietary Capital**

1. For Miscellaneous Paid-In Capital (Account 211) and Appropriated Retained Earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.
2. For Unappropriated Retained Earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing non-associates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.

Line No.	Account Number (a)	Title of Account (b)	Description (c)	Amount (d)
1	201	Common Stock Issued	Number of Shares Authorized	1,000
2			Par or Stated Value per Share	
3			Outstanding Number of Shares	100
4			Close of Period Amount	100
5	204	Preferred Stock Issued	Number of Shares Authorized	
6			Par or Stated Value per Share	
7			Outstanding Number of Shares	
8			Close of Period Amount	
9	211	Miscellaneous Paid-In Capital		100,000,900
10	215	Appropriated Retained Earnings		0
11	219	Accumulated Other Comprehensive Income		(67,638,652)
12	216	Unappropriated Retained Earnings	Balance at Beginning of Year	(9,570,696)
13			Net Income or (Loss)	(603,441)
14			Dividend Paid	
15			Balance at Close of Year	(10,174,137)

Line No.	Dividends paid during the year				
	Dividend Paid Description (a)	Dividend Rate (b)	Dividend Paid Amount (c)	Dividend Declared Date (d)	Dividend Paid Date (e)
1					
2					
3					
4					
5					
6					
7					
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9					
10					
11					
12					
13					
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FOOTNOTE DATA

(a) Concept: MiscellaneousPaidInCapital

Miscellaneous Paid-In Capital had no activity in 2023; therefore, the balance at December 31, 2023 is unchanged as compared to the balance at December 31, 2022.

(b) Concept: AccumulatedOtherComprehensiveIncome

Refer to Note 8, Accumulated Other Comprehensive Income (Loss) for further discussion.

(c) Concept: NetIncomeLossUnappropriatedRetainedEarnings

\$4,545 of nonassociate direct costs are included in Net Income or (Loss).

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XII - Long-Term Debt**

1. For Advances from Associate Companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (d).
2. For the deductions in Column (i), give an explanation in a footnote.
3. For Other Long-Term Debt (Account 224), list the name of the creditor company or organization in Column (b).

Line No.	Account Number (a)	Title of Account (b)	Term of Obligation (c)	Class & Series of Obligation (d)	Date of Maturity (e)	Interest Rate (f)	Amount Authorized (g)	Balance at Beginning of Year (h)	Additions Deductions (i)	Balance at Close of Year (j)
1	223	<b>Advances from Associate Companies</b>								
2		<b>Associate Company:</b>								
3								0		
13		Total						0	0	0
14	224	<b>Other Long Term Debt</b>								
15		<b>List Creditor:</b>								
16								0		
28		Total						0	0	0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XIII - Current and Accrued Liabilities**

1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234).
2. Give description and amount of Miscellaneous Current and Accrued Liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	233	Notes Payable to Associate Companies		
2		Associate Company:		
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
23		Subtotal (Total of Lines 3-22)	0	0
24	234	Accounts Payable to Associate Companies		

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
25		<b>Associate Company:</b>		
26		PPL Corporation (234)	840,303	129,480
27		PPL Services Corporation (234)	14,929,733	17,573,757
28		PPL Electric Utilities Corporation (234)	0	0
40		Subtotal (Total of Lines 26-39)	15,770,036	17,703,237
41	242	<b>Miscellaneous Current and Accrued Liabilities</b>		
42		<b>Items List:</b>		
43		Miscellaneous Liability - Employee Life Insurance (242)	82,000	0
44		Miscellaneous Liability - Vested Vacation (242)	10,669,720	10,165,242
45		Accrued Legal Expense (242)	153	0
46		Accrued Short Term Incentive (242)	2,321,058	2,185,379
47		Pension Payable SERP Current (242)	6,336,564	6,209,605
48		Retirement Income Liability (242)	3,848,975	3,612,765
49		Incurred But Not Paid (IBNP) Medical and Dental Reserve (242)	2,075,657	1,571,861
49		Subtotal (Total of Lines 43-48)	25,334,127	23,744,852
50		TOTAL (LINES 23, 40, AND 49)	41,104,163	41,448,089
<b>Page 203</b>				

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XIV - Notes to Financial Statements**

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Extraordinary Income (Account 434) or Extraordinary Deductions (Account 435).
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio, explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

**Note 1 – Organization of LG&E and KU Services Company**

LG&E and KU Services Company (“LKS” or the “Company”), a Kentucky corporation, is a wholly-owned subsidiary of LG&E and KU Energy LLC (“LKE”) and a centralized service company under the Public Utility Holding Company Act of 2005 (“PUHCA 2005”). LKE, in turn, is an indirect wholly-owned subsidiary of PPL Corporation (“PPL”) and LKS is an indirect, wholly-owned subsidiary of PPL. On December 1, 2010, PPL and certain subsidiaries, including LKE, filed a notification of holding company status with the Federal Energy Regulatory Commission (“FERC”) under PUHCA 2005.

LKS provides certain services to affiliated entities at cost. LKS is organized along functional lines to accomplish its purpose of providing management, administrative, and technical services.

**Note 2 - Summary of Significant Accounting Policies**

LKS follows the FERC Uniform System of Accounts for Centralized Service Companies Subject to the Provisions of PUHCA 2005. The accompanying financial statements were prepared in accordance with the accounting requirements set forth in the Uniform System of Accounts and published accounting releases of the FERC, which is a comprehensive basis of accounting other than GAAP.

Presentation

The accompanying financial statements are prepared on the regulatory basis of accounting in accordance with the requirements of the FERC, which is a comprehensive basis of accounting other than GAAP. The significant differences between GAAP and FERC reporting are as follows:

Reporting Classifications	FERC reporting	GAAP reporting
Balance Sheet presentation	Reported in order of Uniform System of Accounts (18 CFR Part 101) account number	Reported in order of liquidity
Pension and Post-retirement plan non-service costs or credits	Capital portion reported in Electric Plant in Service (101) and Construction Work in Progress (107).  Depreciation on Capital component is reported in Accumulated Provision for Depreciation of Electric Utility Plant (108) and Depreciation Expense (403)  Expense portion reported in Pension and Benefits (926) under Administrative and General.	Portion capitalized for FERC is reported as a regulatory asset or liability for GAAP.  Regulatory Asset or Liability is amortized to Other Income and Expense.  Expense portion reported in Other Income and Expense.
Noncurrent Prepayments	Reported in Prepayments (165)	Reported in Other Long-Term Assets
Payable and Accrued expenses	Reported in Accounts Payable (232), Notes Payable to Associate Companies (233), Accounts Payable to Associate Companies (234), Taxes Accrued (236), and Reported in Tax Collections Payable (241)	Reported in Other current liabilities
Deferred tax assets and liabilities	Reported in the respective accumulated deferred income tax FERC accounts (i.e. FERC Accounts Deferred Asset (190) and Deferred Liability (282 – 283) for a gross balance sheet presentation)	Netted and categorized into noncurrent deferred tax asset and/or liability positions on the Balance Sheets
Income taxes	Income Taxes (408, 409), Deferred Taxes (410, 411) and Investment Tax Credits (411) are reported on separate lines on the Income Statement.	Income Taxes, Deferred Taxes and Investment Tax Credits are netted on a single line on the Income Statement.
Amounts presented within the Balance Sheet and Income Statement	Reported without Purchase Accounting adjustments.	Reported with Purchase Accounting adjustments.
Implementation costs incurred in a cloud computing arrangement that is considered a service contract.	Reported in PP&E (101,106, 107, 111).	Reported in Other Noncurrent Assets.

**General**

Capitalized terms and abbreviations appearing in the notes to financial statements are defined in the glossary. Dollars within these footnotes are in millions, unless otherwise noted.

Accounting Records

The system of accounts for domestic regulated entities is maintained in accordance with the Uniform System of Accounts for Centralized Service Companies subject to the Provisions of PUHCA 2005, prescribed by the FERC.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Loss Accruals

Potential losses are accrued when (1) information is available that indicates it is "probable" that a loss has been incurred, given the likelihood of the uncertain future events and (2) the amount of the loss can be reasonably estimated. Accounting guidance defines "probable" as cases in which "the future event or events are likely to occur." LKS continuously assesses potential loss contingencies for litigation claims, regulatory penalties and other events. The accrual of contingencies that might result in gains is not recorded, unless realization is assured.

**Revenue Recognition**

LKS' revenues are generally recorded based on services provided to associate companies through the end of the reporting period.

Accounts Receivable and Accounts Receivable from Associate Companies

Accounts Receivable and Accounts Receivable from Associate Companies are reported on the balance sheets at the gross outstanding amount. When required, an allowance for doubtful accounts is recorded separately.

### **Fair Value Measurements**

LKS values certain financial and nonfinancial assets and liabilities at fair value. Generally, the most significant fair value measurements relate to investments in securities in defined benefit plans. LKS uses, as appropriate, 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) to measure the fair value of an asset or liability. 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.

LKS classifies fair value measurements within one of three levels in the fair value hierarchy. The level assigned to a fair value measurement is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for substantially the full term of the asset or liability.

Level 3 - unobservable inputs that management believes are predicated on the assumptions market participants would use to measure the asset or liability at fair value.

Assessing the significance of a particular input requires judgment that considers factors specific to the asset or liability. As such, LKS' assessment of the significance of a particular input may affect how the assets and liabilities are classified within the fair value hierarchy.

### **Property, Plant and Equipment (PP&E)**

PP&E is recorded at original cost, unless impaired. If impaired, the asset is written down to fair value at that time, which becomes the new cost basis of the asset. Original cost for constructed assets includes material, labor, contractor costs, and certain overheads, where applicable. The cost of repairs and minor replacements are charged to expense as incurred.

### **Depreciation and Amortization**

Depreciation is recorded over the estimated useful lives of property using various methods including the straight-line and group methods. When a component of PP&E that was depreciated under the group method is retired, the original cost is charged to accumulated depreciation. When all or a significant portion of an operating unit that was depreciated under the group method is retired or sold, the property and related accumulated depreciation account is reduced and any gain or loss is included in income. The average rate of depreciation was 11.4% at December 31, 2023 and 12.2% at December 31, 2022.

### **Asset Impairment**

LKS reviews long-lived assets that are subject to depreciation or amortization for impairment when events or circumstances indicate carrying amounts may not be recoverable.

A long-lived asset, classified as held and used, is impaired when the carrying amount of the asset exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If impaired, the asset's carrying value is written down to its fair value. LKS had no asset impairments during the years ended December 31, 2023 and 2022.

### **Income Taxes**

Significant management judgment is required in developing the Company's provision for income taxes, primarily due to the uncertainty related to tax positions taken or expected to be taken in tax returns and valuation allowances on deferred tax assets.

The Company uses a two-step process to evaluate tax positions. The first step requires an entity to determine whether, based on the technical merits supporting a particular tax position, it is more likely than not (greater than a 50% chance) that the tax position will be sustained. This determination assumes that the relevant taxing authority will examine the tax position and is aware of all the relevant facts surrounding the tax position. The second step requires an entity to recognize in the financial statements the benefit of a tax position that meets the more-likely-than-not recognition criterion. The benefit recognized is measured at the largest amount of benefit that has a likelihood of realization, upon settlement, that exceeds 50%. Unrecognized tax benefits are classified as current to the extent management expects to settle an uncertain tax position by payment or receipt of cash within one year of the reporting date. The amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued and may materially impact the financial statements of the Company in future periods. At December 31, 2023, no significant changes in unrecognized tax benefits are projected over the next 12 months.

### **Accumulated Deferred Income Taxes**

Deferred income taxes reflect the net future tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their basis for income tax purposes, as well as the tax effects of net operating losses and tax credit carryforwards.

The Company records valuation allowances to reduce deferred income tax assets to the amounts that are more likely than not to be realized. The need for valuation allowances requires significant management judgment. If the Company determines that they are able to realize deferred tax assets in the future in excess of recorded net deferred tax assets, adjustments to the valuation allowances increase income by reducing tax expense in the period that such determination is made. Likewise, if the Company determines that they are not able to realize all or part of net deferred tax assets in the future, adjustments to the valuation allowances would decrease income by increasing tax expense in the period that such determination is made. The amount of deferred tax assets ultimately realized may differ materially from the estimates utilized in the computation of valuation allowances and may materially impact the financial statements in the future.

See Note 3 for additional discussion regarding income taxes.

### **Note 3 - Income Taxes**

LKS's federal income tax return is included in a United States consolidated income tax return filed by LKS's parent, PPL. Each subsidiary of the consolidated tax group calculates its separate income tax for each period. The resulting separate-return tax cost or benefit is paid to or received from the parent company or its designee. The Company also files income tax returns in various state jurisdictions. The tax years for 2019 and prior for Federal and 2018 and prior for State are no longer subject to examination.

Significant components of deferred tax assets and liabilities are summarized below as of December 31:

	<u>2023</u>	<u>2022</u>
Net Deferred tax assets and liabilities:		
Pensions and similar obligations	\$49	\$43
Liabilities and other	6	8
Total Net Deferred tax assets and liabilities	<u>\$55</u>	<u>\$51</u>

At December 31, LKS had the following loss carryforwards.

	<u>2023</u>	<u>Expiration</u>
<b>Loss carryforwards</b>		
State net operating losses	\$12	2035-2038

Significant components of income tax expense are shown in the table below for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Income Tax Expense (Benefit)		
Current – Federal	\$2	\$1
Current – State	(4)	—
Deferred – Federal	(1)	—
Deferred – State	4	—
Total income tax expense (benefit)	<u>\$1</u>	<u>\$1</u>
	<u>2023</u>	<u>2022</u>
Reconciliation of Income Tax Expense (Benefit)		
Increases (decreases) due to:		
Other	\$1	\$1
Total income tax expense (benefit)	<u>\$1</u>	<u>\$1</u>

#### Note 4 - Leases

Substantially all leases, other than leases associated with rental of certain equipment, are the obligation of affiliated operating entities. LKS records, as an intercompany expense, costs incurred for the use of leased office space and equipment. These intercompany expenses are reflected in Account 931 on the Income Statement.

#### Note 5 - Defined Benefits

Although LKS does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by LKE based on its participation in those plans, which management believes are reasonable. An asset or liability is recorded to recognize the funded status of all defined benefit plans with an offsetting entry to AOCI. Consequently, the allocated portion of funded status of all defined benefit plans for LKS is fully recognized on the Balance Sheets.

The majority of LKS employees are eligible for certain health care and life insurance benefits upon retirement through a contributory plan. Postretirement health benefits may be paid from a 401(h) account established as part of the LKE Pension plan within the PPL Services Corporation Master Trust, funded VEBA trusts, and company funds.

The actuarially determined obligations of current active employees and retired employees of LKS are used as a basis to allocate total plan activity, including active and retiree costs and obligations. LKS's allocated share of the funded status of the pension plans resulted in a liability of \$214 million and \$191 million at December 31, 2023 and 2022. LKS's allocated share of other postretirement benefits resulted in a \$8 million and \$9 million noncurrent asset in 2023 and in 2022.

#### Expected Cash Flows - Defined Benefit Plans

LKS does not plan to make contributions to the qualified pension plans in 2024, as the plan has the option to utilize available prior year credit balances to meet current and future contribution requirements.

LKE sponsors various non-qualified supplemental pension plans for which no assets are segregated from corporate assets. LKS expects to make \$6 million of benefit payments under these plans in 2024.

#### Savings Plans

Substantially all of LKS's employees are eligible to participate in a deferred savings plan (401(k)). Employer contributions to the plan totaled \$8 million and \$9 million in 2023 and 2022.



## Note 6 - Commitments and Contingencies

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

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 contractual arrangements.

## Note 7 - Related Party Transactions

### Provisions of Services

LKS engages in transactions in the normal course of business with other LKE subsidiaries and PPL subsidiaries. These transactions are primarily composed of services received and/or rendered including contracting with third party vendors for goods and services. These services are priced at cost which represents market.

LKS provides the subsidiaries of LKE and PPL with a variety of centralized administrative, management and support services. Charges for these services include labor, overheads and other expenses of LKS employees performing services for the subsidiaries of LKE and PPL and vouchers paid by LKS on behalf of the subsidiaries of LKE and PPL. The cost of these services is directly charged or, for general costs which cannot be directly attributed, charged based on predetermined allocation factors, including the ratios discussed in Methods of Allocations on page 402.

Direct charges consist of directly assignable costs incurred for activities and services exclusively for the benefit of one affiliate and directly attributable costs incurred for activities and services that benefit more than one affiliate and which can be apportioned using direct measures of costs causation. Indirectly attributable costs are incurred for activities and services that benefit more than one affiliate and which can be apportioned using general measures of cost causation.

Intercompany billings from LKS are listed on page 307, Analysis of Billing – Associate Companies (Account 457).

Intercompany billings are settled monthly; accordingly, there is no interest or other compensation charged for the use of capital.

## Note 8 - Accumulated Other Comprehensive Income (Loss)

The after-tax changes in AOCI, for the years ended December 31 were as follows:

	Defined Benefit Plans		
	Prior service costs	Actuarial gain (loss)	Total
<b>December 31, 2021</b>	\$ (9)	\$ (89)	\$ (98)
Amounts arising during the period	—	33	33
Reclassifications from AOCI	2	13	15
Net OCI during the period	2	46	48
<b>December 31, 2022</b>	\$ (7)	\$ (43)	\$ (50)
Amounts arising during the period	—	(18)	(18)
Reclassifications from AOCI	1	(1)	—
Net OCI during the period	1	(19)	(18)
<b>December 31, 2023</b>	\$ (6)	\$ (62)	\$ (68)

The following table presents the gains (losses) and prior service cost with related taxes for reclassifications from AOCI for the years ended December 31, 2023 and 2022. The defined benefit plan components of AOCI are not reflected in their entirety in the Income Statement; rather, they are included in the computation of net periodic defined benefit costs (credits). See Note 5 for additional information.

Details about AOCI	2023		
	Total Pre-tax	Income Taxes	Total After-tax
Defined benefit plans			
Net actuarial loss	\$ 1	\$ —	\$ 1
Prior Service Cost	(1)	—	(1)
Total reclassifications	\$ —	\$ —	\$ —

	2022		
	Total Pre-tax	Income Taxes	Total After-tax
<b>Details about AOCI</b>			
Defined benefit plans			
Net actuarial loss	\$ (17)	\$ 4	\$ (13)
Prior Service Cost	(2)	—	(2)
Total reclassifications	\$ (19)	\$ 4	\$ (15)

#### Note 9 - Subsequent Events

Subsequent events have been evaluated through April 26, 2024, the date of issuance of these statements. These statements contain all necessary adjustments and disclosures resulting from that evaluation.

#### 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 ultimate parent holding company of PPL Electric, PPL Energy Funding, PPL Capital Funding, LKE and other subsidiaries.

**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 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.

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

##### Other terms and abbreviations

**401(h) account(s)** - a sub-account established within a qualified pension trust to provide for the payment of retiree medical costs.

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

**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.

**MMBtu** - one million British Thermal Units.

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

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

**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.

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

**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.

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XV - Comparative Income Statement**

Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
1		SERVICE COMPANY OPERATING REVENUES		
2	400	Service Company Operating Revenues	298,766,969	317,510,653
3		SERVICE COMPANY OPERATING EXPENSES		
4	401	Operation Expenses	151,024,793	196,179,649
5	402	Maintenance Expenses	10,005,625	10,068,728
6	403	Depreciation Expenses	1,158,139	1,193,162
7	403.1	Depreciation Expense for Asset Retirement Costs		
8	404	Amortization of Limited-Term Property		
9	405	Amortization of Other Property		
10	407.3	Regulatory Debits		
11	407.4	Regulatory Credits		
12	408.1	Taxes Other Than Income Taxes, Operating Income	9,839,921	10,922,198
13	409.1	Income Taxes, Operating Income	(747,734)	2,054,438
14	410.1	Provision for Deferred Income Taxes, Operating Income	6,944,999	11,742,120
15	411.1	Provision for Deferred Income Taxes - Credit , Operating Income	(4,496,945)	(11,626,668)
16	411.4	Investment Tax Credit, Service Company Property		
17	411.6	Gains from Disposition of Service Company Plant	0	
18	411.7	Losses from Disposition of Service Company Plant	0	
19	411.10	Accretion Expense	0	
20	412	Costs and Expenses of Construction or Other Services	122,342,181	92,702,320
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work	51,602	16,368
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	296,122,581	313,252,315
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	2,644,388	4,258,338
24		OTHER INCOME		
25	418.1	Equity in Earnings of Subsidiary Companies	0	
26	419	Interest and Dividend Income	0	1,805

Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
27	419.1	Allowance for Other Funds Used During Construction	0	
28	421	Miscellaneous Income or Loss		
29	421.1	Gain on Disposition of Property	0	
30		TOTAL OTHER INCOME (Total of Lines 25-29)		1,805
31		OTHER INCOME DEDUCTIONS		
32	421.2	Loss on Disposition of Property	0	
33	425	Miscellaneous Amortization	0	
34	426.1	Donations	0	
35	426.2	Life Insurance	0	
36	426.3	Penalties	0	
37	426.4	Expenditures for Certain Civic, Political and Related Activities	1,442,206	1,295,135
38	426.5	Other Deductions	2,902,502	5,133,093
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	4,344,708	6,428,228
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		
41	408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
42	409.2	Income Taxes, Other Income and Deductions	(1,096,879)	(1,607,477)
43	410.2	Provision for Deferred Income Taxes, Other Income and Deductions		
44	411.2	Provision for Deferred Income Taxes - Credit, Other Income and Deductions		
45	411.5	Investment Tax Credit, Other Income Deductions		
46		TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45)	(1,096,879)	(1,607,477)
47		INTEREST CHARGES		
48	427	Interest on Long-Term Debt	0	
49	428	Amortization of Debt Discount and Expense	0	
50	429	(less) Amortization of Premium on Debt- Credit	0	
51	430	Interest on Debt to Associate Companies	0	
52	431	Other Interest Expense	0	
53	432	(less) Allowance for Borrowed Funds Used During Construction-Credit	0	
54		TOTAL INTEREST CHARGES (Total of Lines 48-53)	0	0
55		NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54)	(603,441)	(560,608)
56		EXTRAORDINARY ITEMS		
57	434	Extraordinary Income		

Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
58	435	(less) Extraordinary Deductions		
59		Net Extraordinary Items (Line 57 less Line 58)	0	0
60	409.4	(less) Income Taxes, Extraordinary		
61		Extraordinary Items After Taxes (Line 59 less Line 60)	0	0
62		NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55 and 61)	(603,441)	(560,608)
<b>Page 301</b>				

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies**

1. Total cost of service will equal for associate and non-associate companies the total amount billed under their separate analysis of billing schedules.

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
1	403-403.1	Depreciation Expense	1,158,139	0	1,158,139			0	1,158,139	0	1,158,139
2	404-405	Amortization Expense	0	0	0			0	0	0	0
3	407.3-407.4	Regulatory Debits/Credits - Net	0	0	0			0	0	0	0
4	408.1-408.2	Taxes Other Than Income Taxes	6,761,541	3,078,380	9,839,921			0	6,761,541	3,078,380	9,839,921
5	409.1-409.3	Income Taxes	(2,448,054)	0	(2,448,054)			0	(2,448,054)	0	(2,448,054)
6	410.1-410.2	Provision for Deferred Taxes	2,448,054	0	2,448,054			0	2,448,054	0	2,448,054
7	411.1-411.2	Provision for Deferred Taxes - Credit			0			0	0	0	0
8	411.6	Gain from Disposition of Service Company Plant	0	0	0			0	0	0	0
9	411.7	Losses from Disposition of Service Company Plant	0	0	0			0	0	0	0
10	411.4-411.5	Investment Tax Credit Adjustment	0	0	0			0	0	0	0
11	411.10	Accretion Expense	0	0	0			0	0	0	0
12	412	Costs and Expenses of Construction or Other Services	122,342,181	0	122,342,181			0	122,342,181	0	122,342,181
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies	51,602	0	51,602			0	51,602	0	51,602
14	418	Non-operating Rental Income	0	0	0			0	0	0	0

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
15	418.1	Equity in Earnings of Subsidiary Companies	0	0	0			0	0	0	0
16	419	Interest and Dividend Income	0	0	0			0	0	0	0
17	419.1	Allowance for Other Funds Used During Construction	0	0	0			0	0	0	0
18	421	Miscellaneous Income or Loss	0	0	0			0	0	0	0
19	421.1	Gain on Disposition of Property	0	0	0			0	0	0	0
20	421.2	Loss on Disposition Of Property	0	0	0			0	0	0	0
21	425	Miscellaneous Amortization	0	0	0			0	0	0	0
22	426.1	Donations	0	0	0			0	0	0	0
23	426.2	Life Insurance	0	0	0			0	0	0	0
24	426.3	Penalties	0	0	0			0	0	0	0
25	426.4	Expenditures for Certain Civic, Political and Related Activities	1,432,766	9,440	1,442,206			0	1,432,766	9,440	1,442,206
26	426.5	Other Deductions	2,847,987	54,515	2,902,502			0	2,847,987	54,515	2,902,502
27	427	Interest On Long-Term Debt	0	0	0			0	0	0	0
28	428	Amortization of Debt Discount and Expense	0	0	0			0	0	0	0
29	429	Amortization of Premium on Debt - Credit	0	0	0			0	0	0	0
30	430	Interest on Debt to Associate Companies	0	0	0			0	0	0	0
31	431	Other Interest Expense	0	0	0			0	0	0	0
32	432	Allowance for Borrowed Funds Used During Construction	0	0	0			0	0	0	0
33	500-509	Total Steam Power Generation Operation Expenses	12,660,755	0	12,660,755			0	12,660,755	0	12,660,755



Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
34	510-515	Total Steam Power Generation Maintenance Expenses	4,129,814	0	4,129,814			0	4,129,814	0	4,129,814
35	517-525	Total Nuclear Power Generation Operation Expenses	0	0	0			0	0	0	0
36	528-532	Total Nuclear Power Generation Maintenance Expenses	0	0	0			0	0	0	0
37	535-540.1	Total Hydraulic Power Generation Operation Expenses	7,281	0	7,281			0	7,281	0	7,281
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses	1,310	0	1,310			0	1,310	0	1,310
39	546-550.1	Total Other Power Generation Operation Expenses	470,011	0	470,011			0	470,011	0	470,011
40	551-554.1	Total Other Power Generation Maintenance Expenses	73,771	0	73,771			0	73,771	0	73,771
41	555-557	Total Other Power Supply Operation Expenses	3,935,421	0	3,935,421			0	3,935,421	0	3,935,421
42	560	Operation Supervision and Engineering	3,230,530	0	3,230,530			0	3,230,530	0	3,230,530
43	561.1	Load Dispatch-Reliability	469,425	0	469,425			0	469,425	0	469,425
44	561.2	Load Dispatch-Monitor and Operate Transmission System	4,108,183	0	4,108,183			0	4,108,183	0	4,108,183
45	561.3	Load Dispatch-Transmission Service and Scheduling	970,162	0	970,162			0	970,162	0	970,162
46	561.4	Scheduling, System Control and Dispatch Services	0	0	0			0	0	0	0
47	561.5	Reliability Planning and Standards Development	900,207	0	900,207			0	900,207	0	900,207
48	561.6	Transmission Service Studies	77,669	0	77,669			0	77,669	0	77,669
49	561.7	Generation Interconnection Studies	15,478	0	15,478			0	15,478	0	15,478

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
50	561.8	Reliability Planning and Standards Development Services	0	0	0			0	0	0	0
51	562	Station Expenses (Major Only)	144,424	0	144,424			0	144,424	0	144,424
51.1	562.1	Operation of Energy Storage Equipment									
52	563	Overhead Line Expenses (Major Only)	424,315	0	424,315			0	424,315	0	424,315
53	564	Underground Line Expenses (Major Only)	0	0	0			0	0	0	0
54	565	Transmission of Electricity by Others (Major Only)	0	0	0			0	0	0	0
55	566	Miscellaneous Transmission Expenses (Major Only)	1,167,327	0	1,167,327			0	1,167,327	0	1,167,327
56	567	Rents	0	0	0			0	0	0	0
57	567.1	Operation Supplies and Expenses (Nonmajor Only)	0	0	0			0	0	0	0
58		Total Transmission Operation Expenses	11,507,720	0	11,507,720			0	11,507,720	0	11,507,720
59	568	Maintenance Supervision and Engineering (Major Only)	0	0	0			0	0	0	0
60	569	Maintenance of Structures (Major Only)	0	0	0			0	0	0	0
61	569.1	Maintenance of Computer Hardware	318	0	318			0	318	0	318
62	569.2	Maintenance of Computer Software	1,038,684	0	1,038,684			0	1,038,684	0	1,038,684
63	569.3	Maintenance of Communication Equipment	0	0	0			0	0	0	0
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant	0	0	0			0	0	0	0
65	570	Maintenance of Station Equipment (Major Only)	978,326	0	978,326			0	978,326	0	978,326

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
65.1	570.1	Maintenance of Energy Storage Equipment									
66	571	Maintenance of Overhead Lines (Major Only)	648,662	0	648,662			0	648,662	0	648,662
67	572	Maintenance of Underground Lines (Major Only)	0	0	0			0	0	0	0
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)	48,239	0	48,239			0	48,239	0	48,239
69	574	Maintenance of Transmission Plant (Nonmajor Only)	0	0	0			0	0	0	0
70		Total Transmission Maintenance Expenses	2,714,229	0	2,714,229			0	2,714,229	0	2,714,229
71	575.1-575.8	Total Regional Market Operation Expenses	0	0	0			0	0	0	0
72	576.1-576.5	Total Regional Market Maintenance Expenses	0	0	0			0	0	0	0
73	580-589	Total Distribution Operation Expenses	13,777,376	0	13,777,376	0	0	0	13,777,376	0	13,777,376
74	590-598	Total Distribution Maintenance Expenses	1,035,828	0	1,035,828			0	1,035,828	0	1,035,828
75		Total Electric Operation and Maintenance Expenses	184,907,732	3,142,335	188,050,067	0	0	0	184,907,732	3,142,335	188,050,067
76	700-798	Production Expenses (Provide selected accounts in a footnote)	0	0	0			0	0	0	0
77	800-813	Total Other Gas Supply Operation Expenses	3,603	0	3,603			0	3,603	0	3,603
78	814-826	Total Underground Storage Operation Expenses	102,174	0	102,174			0	102,174	0	102,174
79	830-837	Total Underground Storage Maintenance Expenses	720	0	720			0	720	0	720
80	840-842.3	Total Other Storage Operation Expenses	0	0	0			0	0	0	0

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
81	843.1-843.9	Total Other Storage Maintenance Expenses	0	0	0			0	0	0	0
82	844.1-846.2	Total Liquefied Natural Gas Terminaling and Processing Operation Expenses	0	0	0			0	0	0	0
83	847.1-847.8	Total Liquefied Natural Gas Terminaling and Processing Maintenance Expenses	0	0	0			0	0	0	0
84	850	Operation Supervision and Engineering	355,547	0	355,547			0	355,547	0	355,547
85	851	System Control and Load Dispatching	813	0	813			0	813	0	813
86	852	Communication System Expenses	0	0	0			0	0	0	0
87	853	Compressor Station Labor and Expenses	0	0	0			0	0	0	0
88	854	Gas for Compressor Station Fuel	0	0	0			0	0	0	0
89	855	Other Fuel and Power for Compressor Stations	0	0	0			0	0	0	0
90	856	Mains Expenses	0	0	0			0	0	0	0
91	857	Measuring and Regulating Station Expenses	0	0	0			0	0	0	0
92	858	Transmission and Compression of Gas By Others	0	0	0			0	0	0	0
93	859	Other Expenses	83,526	0	83,526			0	83,526	0	83,526
94	860	Rents	0	0	0			0	0	0	0
95		Total Gas Transmission Operation Expenses	439,886	0	439,886			0	439,886	0	439,886
96	861	Maintenance Supervision and Engineering	0	0	0			0	0	0	0
97	862	Maintenance of Structures and Improvements	0	0	0			0	0	0	0
98	863	Maintenance of Mains	19,162	0	19,162			0	19,162	0	19,162

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
99	864	Maintenance of Compressor Station Equipment	0	0	0			0	0	0	0
100	865	Maintenance of Measuring And Regulating Station Equipment	0	0	0			0	0	0	0
101	866	Maintenance of Communication Equipment	0	0	0			0	0	0	0
102	867	Maintenance of Other Equipment	0	0	0			0	0	0	0
103		Total Gas Transmission Maintenance Expenses	19,162	0	19,162			0	19,162	0	19,162
104	871-881	Total Distribution Operation Expenses	1,226,130	0	1,226,130			0	1,226,130	0	1,226,130
105	885-894	Total Distribution Maintenance Expenses	268,474	0	268,474			0	268,474	0	268,474
106		Total Natural Gas Operation and Maintenance Expenses	2,060,149	0	2,060,149			0	2,060,149	0	2,060,149
107	901	Supervision	6,461,730	0	6,461,730			0	6,461,730	0	6,461,730
108	902	Meter reading expenses	458,008	0	458,008			0	458,008	0	458,008
109	903	Customer records and collection expenses	19,865,179	0	19,865,179			0	19,865,179	0	19,865,179
110	904	Uncollectible accounts	0	0	0			0	0	0	0
111	905	Miscellaneous customer accounts expenses	0	0	0			0	0	0	0
112		Total Customer Accounts Operation Expenses	26,784,917	0	26,784,917			0	26,784,917	0	26,784,917
113	907	Supervision	738,759	0	738,759			0	738,759	0	738,759
114	908	Customer assistance expenses	2,070,250	0	2,070,250			0	2,070,250	0	2,070,250
115	909	Informational And Instructional Advertising Expenses	0	0	0			0	0	0	0
116	910	Miscellaneous Customer Service And Informational Expenses	1,418,620	0	1,418,620			0	1,418,620	0	1,418,620

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
117		Total Service and Informational Operation Accounts	4,227,629	0	4,227,629			0	4,227,629	0	4,227,629
118	911	Supervision	0	0	0			0	0	0	0
119	912	Demonstrating and Selling Expenses	(2,107,107)	0	(2,107,107)			0	(2,107,107)	0	(2,107,107)
120	913	Advertising Expenses	0	0	0			0	0	0	0
121	916	Miscellaneous Sales Expenses	0	0	0			0	0	0	0
122		Total Sales Operation Expenses	(2,107,107)	0	(2,107,107)			0	(2,107,107)	0	(2,107,107)
123	920	Administrative and General Salaries	28,466,422	2,231,544	30,697,966			0	28,466,422	2,231,544	30,697,966
124	921	Office Supplies and Expenses	9,422,523	278,789	9,701,312	4,545	0	4,545	9,427,068	278,789	9,705,857
125	923	Outside Services Employed	5,532,721	0	5,532,721			0	5,532,721	0	5,532,721
126	924	Property Insurance	(12)	0	(12)			0	(12)	0	(12)
127	925	Injuries and Damages	19,572	6,352	25,924			0	19,572	6,352	25,924
128	926	Employee Pensions and Benefits	28,814,243	2,808,027	31,622,270			0	28,814,243	2,808,027	31,622,270
129	928	Regulatory Commission Expenses	0	0	0			0	0	0	0
130	930.1	General Advertising Expenses	0	0	0			0	0	0	0
131	930.2	Miscellaneous General Expenses	4,642	0	4,642			0	4,642	0	4,642
132	931	Rents	399,629	0	399,629			0	399,629	0	399,629
133		Total Administrative and General Operation Expenses	72,659,740	5,324,712	77,984,452	4,545	0	4,545	72,664,285	5,324,712	77,988,997
134	935	Maintenance of Structures and Equipment	1,762,317	0	1,762,317			0	1,762,317	0	1,762,317
135		Total Administrative and General Maintenance Expenses	103,327,496	5,324,712	108,652,208	4,545	0	4,545	103,332,041	5,324,712	108,656,753

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
136		Total Cost of Service	290,295,377	8,467,047	298,762,424	4,545	0	4,545	290,299,922	8,467,047	298,766,969
Page 303											

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XVII - Analysis of Billing - Associate Companies (Account 457)**

1. For Services Rendered to Associate Companies (Account 457), list all of the associate companies.

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation for Use of Capital (d)	Total Amount Billed (e)
1	Louisville Gas and Electric Company	112,728,852	2,398,576		115,127,428
2	Kentucky Utilities Company	145,623,817	4,145,700		149,769,517
3	FCD LLC	13,851			13,851
4	LG&E and KU Capital LLC	11,364,668	14,934		11,379,602
5	PPL Services Corporation	7,250,602	1,059,448		8,310,050
6	PPL Electric Utilities Corporation	1,615,775	294,598		1,910,373
7	PPL Rhode Island Holdings, LLC	10,991,781	398,694		11,390,475
8	The Narragansett Electric Company	706,031	155,097		861,128
40	Total	290,295,377	8,467,047	0	298,762,424



Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)**

1. For Services Rendered to Non-Associate Companies (Account 458), list all of the non-associate companies. In a footnote, describe the services rendered to each respective non-associate company.

Line No.	Name of Non-associate Company (a)	Account 458.1 Direct Costs Charged (b)	Account 458.2 Indirect Costs Charged (c)	Account 458.3 Compensation for Use of Capital (d)	Account 458.4 Excess or Deficiency on Servicing Non-associate Utility Companies (e)	Total Amount Billed (f)
1	<sup>(a)</sup> KYMEA	4,545				4,545
2						0
40	Total	4,545	0	0	0	4,545

FOOTNOTE DATA

(a) Concept: NonAssociateCompanyName

AT&T Data Plan.

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XIX - Miscellaneous General Expenses - Account 930.2**

1. Provide a listing of the amount included in Miscellaneous General Expenses (Account 930.2), classifying such expenses according to their nature. Amounts less than \$50,000 may be grouped showing the number of items and the total for the group.
2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.

Line No.	Title of Account (a)	Amount (b)
1	R&D expenditures	9,429
2	Other - 6 items less than \$50,000 each	(4,787)
40	Total	4,642

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
<b>Schedule XX - Organization Chart</b>			
1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.			
2023_LKS_FERC_Form60_OrgChart.pdf			

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
<b>Schedule XXI - Methods of Allocation</b>			
1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator. 2. Include any other allocation methods used to allocate costs.			

Service Department or Function	Basis of Allocation
Audit-SOX Testing	Directly Attributable – Number of Controls Ratio
SOX Compliance	Directly Attributable – Number of Controls Ratio
Auditing	Directly Attributable – Number of Operating Segments Ratio
Corporate Compliance Office	Directly Attributable – Number of Employees Ratio
Benchmarking Performance and Measurement	Indirectly Attributable
Corporate Performance Administration	Indirectly Attributable
Data Analytics – Asset Management Support	Indirectly Attributable
KPI Performance & Measurement	Indirectly Attributable
Utility Research & Development	Directly Attributable – Number of Operating Segments Ratio
Emergency Management/Business Continuity	Directly Attributable – Number of Employees Ratio
Physical Security	Directly Attributable – Number of Employees Ratio
Corporate Security Administration	Directly Attributable – Number of Employees Ratio
Protective Services	Directly Attributable – Number of Employees Ratio
Cyber Security Risk Management	Directly Attributable – Number of Network Users Ratio
Chief Operating Officer	Directly Attributable – Number of Operating Segments Ratio
Office of the President	Indirectly Attributable
Asset Accounting	Directly Attributable - Total Utility Plant Assets Ratio
Audit/PCAOB Fees	Directly Attributable – Book Enterprise Value Ratio
Billing	Directly Attributable – Number of Items Processed Ratio
Budgeting	Directly Attributable - Transmission Ratio, - Generation Ratio, - Number of Customers Ratio; Indirectly Attributable
Cash Management	Directly Attributable – Number of Operating Segments Ratio
Chief Financial Officer	Directly Attributable – Number of Operating Segments Ratio
Compensation and Benefits Accounting	Directly Attributable – Number of Employees Ratio
Corporate Accounting	Indirectly Attributable
Financial Reporting	Directly Attributable – Number of Operating Segments Ratio
Financial Planning	Directly Attributable – Number of Operating Segments Ratio
Financings	Directly Attributable – Book Enterprise Value Ratio
Insurance Services – General	Directly Attributable – Insurance Policies Ratio
Internal Reporting	Directly Attributable – Number of Operating Segments Ratio
Investor Relations	Directly Attributable – Book Enterprise Value Ratio
Investor Services Fees	Directly Attributable – Book Enterprise Value Ratio
Payroll	Directly Attributable Directly Attributable - Number of Employees Ratio
Pensions – Domestic Only	Directly Attributable – Plan Assets Ratio; Number of Plan Participants Ratio
Pensions – PA Only	Directly Attributable – Number of Plan Participants Ratio
Rating Agencies	Directly Attributable – Book Enterprise Value Ratio
Regulatory Accounting	Directly Attributable – Number of Operating Segments Ratio
Remittance Processing	Directly Attributable – Number of Items Processed Ratio
Revenue Accounting	Directly Attributable – Revenue Ratio
Risk Strategy	Indirectly Attributable
Tax Services	Indirectly Attributable
Technical Accounting	Directly Attributable – Number of Operating Segments Ratio
Treasury Controls	Indirectly Attributable
Utility Regulatory Reporting	Directly Attributable – Number of Operating Segments Ratio
Vendor Servicing	Directly Attributable – Number of Items Processed Ratio
VP Finance and Accounting	Indirectly Attributable
Corporate Compensation and Benefits Services	Directly Attributable – Number of Employees Ratio
Diversity, Equity & Inclusion	Directly Attributable – Number of Employees Ratio

Employee Benefits	Directly Attributable – Number of Employees Ratio
Employee Communications	Directly Attributable – Number of Employees Ratio
Employee Compensation	Directly Attributable – Number of Employees Ratio
Employee Engagement Services	Directly Attributable – Number of Employees Ratio
Health Services	Directly Attributable – Number of Employees Ratio
Human Resources Benchmarking	Directly Attributable - Number of Employees Ratio
Human Resources Compliance	Directly Attributable – Number of Employees Ratio
Human Resources Business Partners	Directly Attributable – Number of Employees Ratio
Human Resources Information Operations	Directly Attributable – Number of Employees Ratio
Labor Relations	Directly Attributable – Number of Employees Ratio
Organization Development & Effectiveness	Directly Attributable – Number of Employees Ratio
Talent Acquisition Services	Directly Attributable – Number of Employees Ratio
Talent Management and D&I Services	Directly Attributable – Number of Employees Ratio
Training & Development	Directly Attributable – Number of Employees Ratio
University Relations	Directly Attributable – Number of Employees Ratio
Cybersecurity	Directly Attributable - Number of Network Users Ratio
IT-Accounting, Finance and Compliance	Directly Attributable – Number of Network Users Ratio
IT Data & Analytics	Directly Attributable – Number of Network Users Ratio
IT Design	Directly Attributable -Number of Network Users
IT Engineering & Platform Architecture	Directly Attributable -Number of Network Users
IT Infrastructure and Operations	Directly Attributable -Number of Network Users
IT Integration and Strategic Projects	Directly Attributable -Number of Network Users
IT Product	Directly Attributable - Number of Meters Ratio, Directly Attributable - Number of Customers Ratio, Directly Attributable - Number of Network Users Ratio, Directly Attributable - Total Assets Ratio (T, D & G Only)
Annual Meeting/Proxy	Directly Attributable – Number of Operating Segments Ratio
Corporate – FERC Electric Related	Directly Attributable – Number of Operating Segments Ratio
Corporate – Federal Gas Related	Directly Attributable – Number of Operating Segments Ratio
Corporate Compliance Office	Directly Attributable – Number of Employees Ratio
Corporate External and Public Affairs	Directly Attributable -Rate Base Ratio; Indirectly Attributable
General Corporate	Indirectly Attributable
Office Expenses	Indirectly Attributable
Pensions – PA & KY	Directly Attributable – Number of Plan Participants Ratio
SVP, General Counsel, Corporate Secretary & Chief Legal Officer	Directly Attributable – Number of Operating Segments Ratio
Annual Meeting/Proxy	Directly Attributable – Number of Operating Segments Ratio
Board Services	Directly Attributable – Number of Operating Segments Ratio
Community Relations	Directly Attributable - Number of Customers Ratio
External Affairs – KY/VA	Directly Attributable - Number of Customers Ratio
External Communications – KY/VA	Directly Attributable - Number of Customers Ratio
General Corporate	Indirectly Attributable
Internal Communications – KY/VA	Directly Attributable - Number of Employees Ratio
Public Affairs and Corporate Communications Administration	Indirectly Attributable
Sustainability	Directly Attributable – Book Enterprise Value
Utility Lobbying – Gas	Directly Attributable – Rate Base Ratio
Utility Lobbying - Federal	Indirectly Attributable
Utility Lobbying - Transmission	Directly Attributable – Rate Base Ratio
Supply Chain	Directly Attributable – Total Spend Ratio
Administrative Support	Indirectly Attributable
Depreciation	Indirectly Attributable
Facilities Charge	Directly Attributable – Number of Operating Segments Ratio
Advanced Metering Support	Directly Attributable - Number of Meters Ratio
Billing Integrity	Directly Attributable - Number of Customers Ratio

Customer Service	Directly Attributable - Number of Customers Ratio
Customer Service Business Analysis	Directly Attributable - Number of Customers Ratio
Economic Development and Major Accounts	Directly Attributable - Number of Customers Ratio
Energy Efficiency	Directly Attributable - Number of Customers Ratio
Executive Management Services	Directly Attributable - Number of Customers Ratio, Total Utility Plant Assets Ratio, Generation Ratio, Transmission Ratio
Field Services	Directly Attributable - Total Utility Plant Assets Ratio
Meter Reading Services	Directly Attributable - Number of Meters Ratio
Remittance Processing	Directly Attributable - Number of Items Processed Ratio
Sales and Marketing	Directly Attributable - Number of Customers Ratio
Retail Business System Strategy and Learning	Directly Attributable - Number of Customers Ratio
Distribution Asset Management	Directly Attributable - Total Utility Plant Assets Ratio
Electric Engineering	Directly Attributable - Total Utility Plant Assets Ratio
Electric Reliability/Analysis	Directly Attributable - Total Utility Plant Assets Ratio
Forestry	Directly Attributable - Total Utility Plant Assets Ratio
Network Trouble and Dispatch	Directly Attributable - Number of Customers Ratio
Substation Construction and Maintenance	Directly Attributable - Total Utility Plant Assets Ratio
Energy Marketing	Directly Attributable - Generation Ratio
Fuel Procurement	Directly Attributable - Contract Ratio
Generation Planning and Analysis	Directly Attributable - Generation Ratio
Load Forecasting	Directly Attributable - Generation Ratio
Market Forecasting	Directly Attributable - Generation Ratio
Environmental Affairs	Directly Attributable - Generation Ratio
Building Operations	Directly Attributable - Facilities Ratio, Transmission Ratio, Generation Ratio
Document Services	Directly Attributable - Number of Employees Ratio
Facilities Management	Directly Attributable - Number of Employees Ratio
Production Mail	Directly Attributable - Number of Customers Ratio
Real Estate and Right-of-Way	Directly Attributable - Number of Customers Ratio
Generation	Directly Attributable - Total Utility Plant Assets Ratio, Generation Ratio
Generation Services	Directly Attributable - Total Utility Plant Assets Ratio, Generation Ratio
Project Engineering	Directly Attributable - Generation Ratio
System Laboratory	Directly Attributable - Total Utility Plant Assets Ratio
State Regulation and Rates	Directly Attributable - Number of Customers Ratio
Safety and Technical Training	Directly Attributable - Number of Employees Ratio, Generation Ratio, Total Utility Plant Assets Ratio, Transmission Ratio
Operations and Construction	Directly Attributable - Transmission Ratio, Total Utility Plant Assets Ratio
Reliability and Compliance	Directly Attributable - Transmission Ratio
Strategy, Reliability and Tariffs	Directly Attributable - Transmission Ratio
Transportation	Directly Attributable - Total Utility Plant Assets Ratio, Vehicle Cost Allocation Ratio

The assignment methods used by LKS and PPL Services are as follows:

**Book Enterprise Value Ratio** – This ratio is calculated based on book enterprise value. The ratio is calculated on an annual basis.

**Contract Ratio** – This ratio is based on the sum of the physical amount (i.e., tons of coal, mmbtu of natural gas) of the contract for coal and natural gas fuel burned for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Departmental Charge Ratio**

Departmental Charge Ratio

– A specific department ratio based upon various factors. The departmental charge ratio typically applies to directly attributable costs such as departmental administrative, support, or material and supply costs, or a combination thereof, that benefit more than one affiliate and that require allocation using general measures of cost causation. Methods for assignment are department-specific depending on the type of service performed and are documented and monitored by the Budget Analysts for each department. The numerator and denominator vary by department. The ratio is based upon various factors such as labor hours, labor dollars, departmental or entity headcount, capital expenditures, operations and maintenance costs, retail energy sales, charitable contributions, generating plant sites, average allocation of direct reports, net book value of utility plant, total line of business assets, electric capital expenditures, substation assets and transformer assets. The Departmental Charge Ratio may only be used with the prior approval by the Vice President, Finance and Accounting and where other applicable ratios would not result in the fair assignment of costs. These ratios are calculated on an annual basis.

**Facilities Ratio** – This ratio is based on a two-tiered approach with one tier based on the number of employees by department or line of business and the other tier based on the applicable department or line of business ratio. The numerator for the number of employees is the number of employees by department or line of business at the facility and the denominator is the total employees at the facility. The numerator and denominator for the applicable



department or line of business for the service provided as described in this document.

**Generation Ratio** – This ratio is based on the annual forecast of megawatt hours, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Insurance Policies Ratio** – This ratio is based upon a composite percentage of individual insurance policies. This ratio is calculated on an annual basis.

**Number of Controls Ratio** – This ratio is based on the number of SOX controls. The ratio is calculated on an annual basis.

**Number of Customers Ratio** – This ratio is based on the number of retail electric and/or gas customers at year-end for the preceding year. This ratio is updated on an annual basis.

**Number of Employees Ratio** – This ratio is based on the number of employees benefiting from the performance of a service. The LKS portion will be allocated to other affiliates by the ratio of LKS labor hours charged to total LKS labor hours. This ratio is calculated on an annual basis.

**Number of Items Processed Ratio** – This ratio is based on the number of items processed. This ratio is updated on a monthly basis, based upon actual usage.

**Number of Meters Ratio** – Based on number of meters for each affiliate. This ratio is calculated on an annual basis.

**Number of Network Users Ratio** – This ratio is based upon the number of total IT network users at year-end for the preceding year. The LKS portion will be allocated to other affiliates by the ratio of LKS labor hours charged to total LKS labor hours. This ratio is updated on an annual basis.

**Number of Operating Segments Ratio** – This ratio is based on the number of applicable operating segments covered by PPL. For services provided by LKS, the operating segments are limited to LG&E and KU. This ratio is calculated on an annual basis.

**Number of Plan Participants Ratio** – This ratio is based upon the number of participants in the pension plan. This ratio is updated semi-annually.

**Ownership Percentages** – This ratio is based on the contractual ownership percentages of jointly-owned generating units, information technology, facilities and other capital projects. This ratio is updated as a result of a new jointly-owned capital projects and is based on the benefit to the respective company. The numerator is the specific company's forecasted usage. The denominator is the total forecasted usage of all respective companies.

**Plan Assets Ratio** – This ratio is based upon the split of plan assets in the pension. This ratio is updated semi-annually.

**Rate Base Ratio** – This ratio is based upon applicable rate base per entity at year-end for the preceding year. This ratio is updated on an annual basis.

**Revenue Ratio** – This ratio is based on the sum of the revenue for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Statement of Values Ratio** – This ratio is based on the insured value of property for each affiliate. This ratio is updated on an annual basis.

**Total Assets Ratio** – This ratio is based upon the total assets at year-end for the preceding year. This ratio is updated on an annual basis.

**Total Spend Ratio** – This ratio is based upon total O&M and capital spend per entity at year-end for the preceding year. This ratio is updated on an annual basis.

**Total Utility Plant Assets Ratio** – This ratio is based on the total utility plant assets at year-end for the preceding year, the numerator of which is for an operating company and the denominator of which is for all operating companies. In the event of joint ownership of a specific asset, ownership percentages are utilized to assign costs. This ratio is calculated on an annual basis.

**Transmission Ratio** – The Transmission Coordination Agreement (“TCA”) provides “the contractual basis for the coordinated planning, operation, and maintenance of the combined” LG&E and KU transmission system. Pursuant to the terms of the TCA, LG&E/KU “operate their transmission systems as a single control area.” The TCA establishes cost and revenue allocations between LG&E and KU. The Transmission Ratio is based upon Schedule A (Allocation of Operating Expenses of the Transmission System Operator) of the TCA. Transmission System Operator Company allocation percentages are calculated during June of each year to be effective July 1st of each year using the previous year's summation of the Transmission Peak Demands as found in FERC Form 1 for KU and LG&E, page 400, line 17(b).

**Vehicle Cost Allocation Ratio** – Based on the costs associated with providing and operating transportation fleet for all affiliated companies including developing fleet policy, administering regulatory compliance programs, managing repair and maintenance of vehicles and procuring vehicles. Such rates are applied based on the specific equipment employment and the measured usage of services by the various company entities. This ratio is calculated monthly based on the actual transportation charges from the previous month. The numerator is the department labor charged to a specific company. The denominator is the total labor costs for the specific department. The ratio is then multiplied by the total transportation costs to determine the amount charged to each company.

#### **Indirect Cost Allocation Methodology and Procedures**

PPL and its affiliates use a three-factor methodology to allocate indirect costs. Affiliates acquired by PPL and operating in other jurisdictions had, prior to their acquisition by PPL, used similar three-factor methodologies for allocating indirect costs though the factors differed slightly. In order to ensure consistency of cost allocation across affiliates and avoid subsidization of any affiliate, it is important that all affiliates use the same three-factor methodology to allocate indirect costs. PPL and its affiliates have chosen the methodology that provides the most relevant proxy of cost causation because, unlike directly attributable costs, a single primary cost driver could not be identified for such indirect costs.

In Pennsylvania, in May 2002, the Pennsylvania Public Utility Commission (“PaPUC”) issued its Focused Management and Operations Audit Report on PPL Electric and PPL Gas Utilities Corporation's utility subsidiaries. In its audit, the PaPUC recommended that support costs be allocated using a three-factor methodology. The PaPUC recommended that the three-factor methodology should contain an employee or payroll factor, an asset or investment

factor, and an operation and maintenance expense factor. Effective January 2003, PPL accepted the PaPUC's recommended three-factor method.

The three-factor allocation methodology results in a reasonable allocation of indirect costs to all subsidiaries of PPL. Because these subsidiaries are involved in several businesses, they may have disproportionate amounts of invested capital, operation and maintenance expenses and employees, when compared to other PPL subsidiaries. Through the three-factor allocation methodology, all subsidiaries that comprise a material proportion of PPL, as measured by either invested capital, operation and maintenance expenses, or employees, will receive an equitable proportion of the indirect cost allocation.

#### CALCULATION OF THE MULTI – FACTOR INDIRECT COST ALLOCATION

1. The first factor calculates each subsidiary's proportion of invested capital relative to its affiliates. For this calculation, invested capital includes all of the following components of invested capital for subsidiaries (Short Term Debt, Long Term Debt Due in One Year, Long Term Debt, Minority Interest, Company Obligated Preferred Stock, Preferred Stock, and Common Equity) that are added together and allocated by each subsidiary's relative Invested Capital as compared to its affiliates.
2. The second and third factors calculate each subsidiary's proportion of operation and maintenance expenses and number of employees relative to its affiliates. For these factors, the methodology generally is the same as for Invested Capital. Each subsidiary's data is summed and allocated by each subsidiary's relative operation and maintenance and employee data as compared to its affiliates.
3. PPL determined that each of the three factors was equal in importance and, therefore, the sum of the three was divided by three to obtain the average multi-factor allocation % for each subsidiary. For simplicity, and to reduce immaterial allocations, subsidiaries with a multi-factor average allocation rate of less than 1% are identified and do not receive an allocation from PPL Services.

#### EXCLUDING THE ALLOCATION OF CERTAIN INDIRECT COSTS TO AFFILIATES THAT DO NOT BENEFIT FROM THOSE COSTS

Each year, Support Groups analyze their indirect costs to determine which PPL subsidiaries do not receive a significant portion of their services. If these services and related costs are significant, the Support Groups isolate them from other indirect costs to ensure that the PPL subsidiaries that do not receive a benefit from the costs are not allocated costs applicable to those services. Support Groups identify either specific costs to be excluded or an appropriate % of services that should be excluded based on the operation and the expenses incurred.

**PPL Corp. Entities Participating in Tax Allocation Agreement in 2022**

CEP Commerce, LLC  
CEP Lending, Inc.  
CEP Reserves, Inc.  
PMDC International Holdings, LLC  
PP&L Residual Corporation  
PPL Atlantic Holdings, LLC  
PPL (Barbados) SRL  
PPL Capital Funding, Inc.  
PPL Corporation  
PPL Distributed Energy Resources, LLC  
PPL Electric Utilities Corporation  
PPL Energy Funding Corporation  
PPL Energy Holdings, LLC  
PPL Energy Resources, LLC  
PPL Global, LLC  
PPL Midwest Transmission, LLC  
PPL Power Insurance Ltd.  
PPL Renewables, LLC  
PPL Rhode Island Holdings, LLC  
PPL Safari Holdings, LLC  
PPL Services Corporation  
PPL Strategic Development, LLC  
PPL Subsidiary Holdings, LLC  
PPL Technology Ventures, LLC  
PPL TransLink, Inc.  
PPL UK Distribution Holdings, Ltd.  
PPL UK Holdings, LLC  
PPL UK Resources Limited  
PPL WPD Limited  
The Narragansett Electric Company  
LG&E and KU Energy LLC  
Kentucky Utilities Company  
Louisville Gas & Electric Company  
LG&E and KU Capital LLC  
LG&E and KU Services Company  
Western Kentucky Energy Corp.  
FCD LLC  
Lexington Utilities Company  
LG&E Energy Inc.  
LG&E and KU Hydro I LLC

PPL Canada Holdings, Inc.  
PPL Canada GP ULC  
Safari Energy, LLC  
Safari Energy Investments 1, LLC  
Safari Energy Illinois 2-2020, LLC  
Safari Energy Rhode Island 2-2021, LLC  
Safari Energy Development Holdings, LLC  
Safari Energy Construction, LLC  
Safari Energy New York 1-2020, LLC  
Angel Energy, LLC  
Safari Donkey, LLC  
Safari Zebra, LLC  
Lavender Solar, LLC  
Safari Chimpanzee, LLC  
Safari Viper, LLC  
Apollo Solar, LLC  
Safari Kangaroo, LLC  
Safari Loris, LLC  
Safari Orangutan, LLC  
Safari Energy Georgia 1-2019, LLC  
Safari Energy Georgia 2-2019, LLC  
Safari Energy Georgia 3-2019, LLC  
Safari Energy Georgia 4-2019, LLC  
Safari Energy Georgia 5-2019, LLC  
Safari Energy Massachusetts 1-2019, LLC  
Safari Energy Massachusetts 2-2019, LLC  
Safari Energy Georgia 6-2019, LLC  
Safari Energy Georgia 7-2019, LLC  
Safari Energy Georgia 8-2019, LLC  
McDuffie County GA S2, LLC  
Safari Energy Massachusetts 3-2019, LLC  
Lowndes County GA S1, LLC  
Lowndes County GA S2, LLC  
Meriwether County GA S1, LLC  
Terrell County GA S1, LLC  
Effingham County GA S1, LLC  
Troup County GA S1, LLC  
Ware County GA S1, LLC  
Ware County GA S2, LLC  
Murray County GA S1, LLC  
Safari Baboon, LLC  
Jackson Solar LLC

Safari Energy Ohio 1-2019, LLC  
Wilkinson County GA S1, LLC  
Franklin County GA S1, LLC  
Greene County GA S1, LLC  
Safari Energy Illinois 1-2019, LLC  
Appling County GA S1, LLC  
Safari Energy Rhode Island 1-2020, LLC  
Safari Energy Massachusetts 5-2020, LLC  
Safari Elephant, LLC  
East Brunswick Solar, LLC  
Solar Star Energy Center, LLC  
Putnam County GA S1, LLC  
Bulloch County GA S1, LLC  
Chambersburg Solar Center, LLC  
Safari Energy Massachusetts 4-2020, LLC  
Solar Star Meridan Park West, LLC  
Volcano Energy, LLC

**VERIFICATION**

**COMMONWEALTH OF KENTUCKY )**

**COUNTY OF JEFFERSON )**

The undersigned, **Chad E. Clements**, being duly sworn, deposes and says that he is the Director – Regulated Utility Tax for PPL Services Corporation and currently provides tax related services to Kentucky Utilities Company d/b/a Old Dominion Power Company (“KU-ODP”) in Virginia, and that to the best of his knowledge and belief there are no differences between the allocated and separate return tax liabilities of KU-ODP.



**Chad E. Clements**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 24<sup>th</sup> day of April 2024.

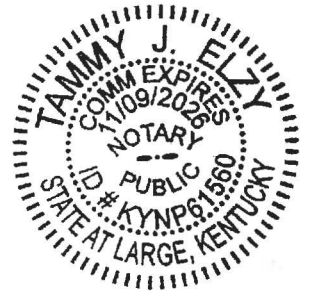


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



**Money Pool Transactions for 2023 included in ARAT**  
**Case No. PUR-2022-00038**

KU Receivable w/ LG&E						
	Opening Balance	Received	Lending		Ending Balance	Interest Rate
1/31/2023	-	-	-	-	-	4.690000%
2/28/2023	-	-	-	-	-	4.820000%
3/31/2023	-	-	-	-	-	4.940000%
4/30/2023	-	-	-	-	-	5.310000%
5/31/2023	-	-	-	-	-	5.300000%
6/30/2023	-	-	-	-	-	5.440000%
7/31/2023	-	(4,840,000.00)	4,840,000.00	-	-	5.420000%
8/31/2023	-	-	-	-	-	5.590000%
9/30/2023	-	-	-	-	-	5.550000%
10/31/2023	-	-	-	-	-	5.590000%
11/30/2023	-	(8,117,000.00)	8,117,000.00	-	-	5.590000%
12/31/2023	-	(16,011,000.00)	16,011,000.00	-	-	5.640000%
		(28,968,000.00)	28,968,000.00	-		

KU Payable w/LKE						
	Opening Balance	Borrowing	Repayment		Ending Balance	Interest Rate
1/31/2023	-	(48,834,000.00)	48,834,000.00	-	-	4.690000%
2/28/2023	-	(50,068,728.86)	30,505,728.86	(19,563,000.00)	(19,563,000.00)	4.820000%
3/31/2023	(19,563,000.00)	(46,547,235.94)	66,110,235.94	19,563,000.00	-	4.940000%
4/30/2023	-	(22,376,147.59)	22,376,147.59	-	-	5.310000%
5/31/2023	-	(163,947,487.46)	105,883,487.46	(58,064,000.00)	(58,064,000.00)	5.300000%
6/30/2023	(58,064,000.00)	(117,294,444.11)	175,358,444.11	58,064,000.00	-	5.440000%
7/31/2023	-	(112,061,341.88)	40,216,341.88	(71,845,000.00)	(71,845,000.00)	5.420000%
8/31/2023	(71,845,000.00)	(10,633,425.75)	82,478,425.75	71,845,000.00	-	5.590000%
9/30/2023	-	(26,504,996.14)	5,397,996.14	(21,107,000.00)	(21,107,000.00)	5.550000%
10/31/2023	(21,107,000.00)	(88,575,618.22)	83,086,418.22	(5,489,200.00)	(26,596,200.00)	5.590000%
11/30/2023	(26,596,200.00)	(23,767,693.53)	50,363,893.53	26,596,200.00	-	5.590000%
12/31/2023	-	(38,801,478.88)	38,801,478.88	-	-	5.640000%
		(749,412,598.36)	749,412,598.36			

KU Payable w/ LG&E						
	Opening Balance	Borrowing	Repayment		Ending Balance	Interest Rate
1/31/2023	-	(31,724,026.67)	31,724,026.67	-	-	4.690000%
2/28/2023	-	(2,526,831.51)	2,526,831.51	-	-	4.820000%
3/31/2023	-	(60,091,335.93)	51,616,338.32	(8,474,997.61)	(8,474,997.61)	4.940000%
4/30/2023	(8,474,997.61)	(10,710,146.71)	19,185,144.32	8,474,997.61	-	5.310000%
5/31/2023	-	(42,537,898.69)	23,600,000.00	(18,937,898.69)	(18,937,898.69)	5.300000%
6/30/2023	(18,937,898.69)	(59,876,865.91)	71,113,000.00	11,236,134.09	(7,701,764.60)	5.440000%
7/31/2023	(7,701,764.60)	(29,856,776.70)	36,387,541.35	6,530,764.65	(1,170,999.95)	5.420000%
8/31/2023	(1,170,999.95)	(64,760,719.03)	61,918,719.03	(2,842,000.00)	(4,012,999.95)	5.590000%
9/30/2023	(4,012,999.95)	(24,561,289.92)	28,574,289.87	4,012,999.95	0.00	5.550000%
10/31/2023	0.00	(10,226.41)	10,226.41	-	0.00	5.590000%
11/30/2023	0.00	(13,478,004.76)	13,478,004.76	-	0.00	5.590000%
12/31/2023	0.00	(14,677,000.00)	14,677,000.00	-	0.00	5.640000%
		(354,811,122.24)	354,811,122.24	-		

## **ENTITY CHANGES OCCURRING IN 2023**

There were no entity changes in 2023.



THIS FILING IS

Item 1:

An Initial (Original) Submission

OR

Resubmission No.



## **FERC FINANCIAL REPORT FERC FORM No. 60: Annual Report of Centralized Service Companies**

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

<b>Exact Legal Name of Respondent (Company)</b> LG&E and KU Services Company	Year/Period of Report: End of: 2023/ Q4
---------------------------------------------------------------------------------	--------------------------------------------

**FERC FORM NO. 60 (12-06)**

# GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60

## I. Purpose

Form No. 60 is an annual regulatory support requirement under 18 C.F.R. § 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

## II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to 18 C.F.R. § 366.3 and § 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

## III. How to Submit

Submit FERC Form Nos. 2, 2-A and 3-Q electronically through the eCollection portal at <https://eCollection.ferc.gov>, and according to the specifications in the Form 60 taxonomy.

## IV. When to Submit

Submit FERC Form No. 60 according to the filing date contained 18 C.F.R. § 369.1 of the Commission's regulations.

## V. Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 C.F.R. § 367) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

## VI. Time Period

This report covers the entire calendar year.

## VII. Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

## VIII. Accuratness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

## IX. Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

## X. Date Format FERC FORM NO. 60

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

## XI. Number Format

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

## XII. Required Entries

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

## XIII. Prior Year References

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

## XIV. Where to Send Comments on Public Reporting Burden

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- o the time for reviewing instructions, searching existing data sources,
- o gathering and maintaining the data-needed, and
- o completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO ),  
888 First Street NE,  
Washington, DC 20426  
or by email to [DataClearance@ferc.gov](mailto:DataClearance@ferc.gov)

And to:

Office of Information and Regulatory Affairs,  
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal Energy Regulatory Commission).  
Comments to OMB should be submitted by email to: [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov)

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

## DEFINITIONS

- I. Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

**FERC FORM NO. 60  
REPORT OF CENTRALIZED SERVICE COMPANIES**

**Identification**

01 Exact Legal Name of Respondent LG&E and KU Services Company	02 Year / Period of Report 2023/ Q4
03 Previous Name (if name changed during the year)	04 Date of Name Change
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 220 W Main Street, Louisville, Kentucky 40202	06 Name of Contact Person Jeanne Kugler
07 Title of Contact Person Regulatory Reporting Manager	08 Address of Contact Person 220 W Main Street, Louisville, KY 40202
09 Telephone Number of Contact Person (502) 627- 4779	10 E-mail Address of Contact Person jmkugler@pplweb.com
11 This Report is An Original / A Resubmission (1) <input checked="" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission	12 Date of Report 04/26/2024
13 Date of Incorporation 06/02/2000	14 If Not Incorporated, Date of Organization
15 State or Sovereign Power Under Which Incorporated or Organized KY	
16 Name of Principal Holding Company Under Which Reporting Company is Organized: PPL Corporation	

**CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

17 Name of Signing Officer Christopher M. Garrett	19 Signature of Signing Officer Christopher M. Garrett	20 Date Signed (Month, Day, Year) 04/26/2024
18 Title of Signing Officer VP - Finance and Accounting		

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**List of Schedules**

1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.

Line No.	Description (a)	Page Reference (b)	Remarks (c)
1	Schedule I - Comparative Balance Sheet	<a href="#">101</a>	
2	Schedule II - Service Company Property	<a href="#">103</a>	
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	<a href="#">104</a>	
4	Schedule IV - Investments	<a href="#">105</a>	
4.1	Schedule IV - Investments - Other Investments	<a href="#">105</a>	None
4.2	Schedule IV - Investments - Other Special Funds	<a href="#">105</a>	
4.3	Schedule IV - Investments - Temporary Cash Investments	<a href="#">105</a>	None
5	Schedule V - Accounts Receivable from Associate Companies	<a href="#">106</a>	
6	Schedule VI - Fuel Stock Expenses Undistributed	<a href="#">107</a>	None
7	Schedule VII - Stores Expense Undistributed	<a href="#">108</a>	None
8	Schedule VIII - Miscellaneous Current and Accrued Assets	<a href="#">109</a>	None
9	Schedule IX - Miscellaneous Deferred Debits	<a href="#">110</a>	
10	Schedule X - Research, Development, or Demonstration Expenditures	<a href="#">111</a>	None
11	Schedule XI - Proprietary Capital	<a href="#">201</a>	
12	Schedule XII - Long-Term Debt	<a href="#">202</a>	None
13	Schedule XIII - Current and Accrued Liabilities	<a href="#">203</a>	
14	Schedule XIV - Notes to Financial Statements	<a href="#">204</a>	
15	Schedule XV - Comparative Income Statement	<a href="#">301</a>	
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	<a href="#">303</a>	
17	Schedule XVII - Analysis of Billing - Associate Companies (Account 457)	<a href="#">307</a>	
18	Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)	<a href="#">308</a>	
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	<a href="#">309</a>	
23	Schedule XX - Organization Chart	<a href="#">401</a>	
24	Schedule XXI - Methods of Allocation	<a href="#">402</a>	



Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
-----------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------	------------------------------	--------------------------------------------

**Schedule I - Comparative Balance Sheet**

1. Give balance sheet of the Company as of December 31 of the current and prior year.

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		<b>Service Company Property</b>			
2	101	Service Company Property	103	10,130,477	10,445,936
3	101.1	Property Under Capital Leases	103	0	0
4	106	Completed Construction Not Classified		0	0
5	107	Construction Work In Progress	103	(1,201,120)	73,666
6		Total Property (Total Of Lines 2-5)		8,929,357	10,519,602
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	7,513,880	6,671,201
8	111	Less: Accumulated Provision for Amortization of Service Company Property		0	0
9		Net Service Company Property (Total of Lines 6-8)		1,415,477	3,848,401
10		<b>Investments</b>			
11	123	Investment In Associate Companies	105	0	0
12	124	Other Investments	105	0	0
13	128	Other Special Funds	105	8,382,278	9,162,021
14		Total Investments (Total of Lines 11-13)		8,382,278	9,162,021
15		<b>Current And Accrued Assets</b>			
16	131	Cash		3,193	3,000
17	134	Other Special Deposits		0	0
18	135	Working Funds		0	0
19	136	Temporary Cash Investments	105	0	0
20	141	Notes Receivable		0	853,972
21	142	Customer Accounts Receivable		0	0
22	143	Accounts Receivable		1,182,687	1,373,441
23	144	Less: Accumulated Provision for Uncollectible Accounts		0	0
23.1	145	Notes Receivable From Associate Companies		0	0

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
24	146	Accounts Receivable From Associate Companies	106	262,182,094	265,281,355
25	152	Fuel Stock Expenses Undistributed	107	0	0
26	154	Materials And Supplies		0	0
27	163	Stores Expense Undistributed	108	0	0
28	165	Prepayments		2,723,380	213,440
29	171	Interest And Dividends Receivable		0	0
30	172	Rents Receivable		0	0
31	173	Accrued Revenues		0	0
32	174	Miscellaneous Current and Accrued Assets	109	0	0
33	175	Derivative Instrument Assets		0	0
34	176	Derivative Instrument Assets - Hedges		0	0
35		Total Current and Accrued Assets (Total of Lines 16-34)		266,091,354	267,725,208
36		<b>Deferred Debits</b>			
37	181	Unamortized Debt Expense		0	0
38	182.3	Other Regulatory Assets		0	0
39	183	Preliminary Survey And Investigation Charges		0	0
40	184	Clearing Accounts		82	(2)
41	185	Temporary Facilities		0	0
42	186	Miscellaneous Deferred Debits	110	0	(778,948)
43	188	Research, Development, or Demonstration Expenditures	111	0	0
44	189	Unamortized Loss on Reacquired Debt		0	0
45	190	Accumulated Deferred Income Taxes		53,656,066	50,487,003
46		Total Deferred Debits (Total of Lines 37-45)		53,656,148	49,708,053
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		329,545,257	330,443,683
48		<b>Proprietary Capital</b>			
49	201	Common Stock Issued	201	100	100
50	204	Preferred Stock Issued	201	0	0
51	211	Miscellaneous Paid-In-Capital	201	100,000,900	100,000,900
52	215	Appropriated Retained Earnings	201	0	0
53	216	Unappropriated Retained Earnings	201	(10,174,137)	(9,570,696)
54	219	Accumulated Other Comprehensive Income	201	(67,638,652)	(50,165,296)



Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
55		Total Proprietary Capital (Total of Lines 49-54)		22,188,211	40,265,008
56		<b>Long-Term Debt</b>			
57	223	Advances From Associate Companies	202	0	0
58	224	Other Long-Term Debt	202	0	0
59	225	Unamortized Premium on Long-Term Debt		0	0
60	226	Less: Unamortized Discount on Long-Term Debt-Debit		0	0
61		Total Long-Term Debt (Total of Lines 57-60)		0	0
62		<b>Other Non-current Liabilities</b>			
63	227	Obligations Under Capital Leases-Non-current		0	0
64	228.2	Accumulated Provision for Injuries and Damages		0	0
65	228.3	Accumulated Provision For Pensions and Benefits		209,942,458	186,387,661
66	230	Asset Retirement Obligations		0	0
67		Total Other Non-current Liabilities (Total of Lines 63-66)		209,942,458	186,387,661
68		<b>Current and Accrued Liabilities</b>			
69	231	Notes Payable		0	0
70	232	Accounts Payable		43,664,664	49,439,910
71	233	Notes Payable to Associate Companies	203	0	0
72	234	Accounts Payable to Associate Companies	203	17,703,237	15,770,036
73	236	Taxes Accrued		1,474,737	1,517,400
74	237	Interest Accrued		0	0
75	241	Tax Collections Payable		308,009	379,961
76	242	Miscellaneous Current and Accrued Liabilities	203	23,744,852	25,334,127
77	243	Obligations Under Capital Leases - Current		0	0
78	244	Derivative Instrument Liabilities		0	0
79	245	Derivative Instrument Liabilities - Hedges		0	0
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		86,895,499	92,441,434
81		<b>Deferred Credits</b>			
82	253	Other Deferred Credits		11,663,122	12,301,800
83	254	Other Regulatory Liabilities		0	0
84	255	Accumulated Deferred Investment Tax Credits		0	0
85	257	Unamortized Gain on Recquired Debt		0	0

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
86	282	Accumulated deferred income taxes-Other property		(1,144,033)	(952,220)
87	283	Accumulated deferred income taxes-Other		0	0
88		Total Deferred Credits (Total of Lines 82-87)		10,519,089	11,349,580
89		TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)		329,545,257	330,443,683
<b>Page 101</b>					

FOOTNOTE DATA

(a) Concept: ConstructionWorkInProgress

Credit due to the clearing of overhead allocations to construction work in progress that will be allocated to LG&E and KU in 2024.

(b) Concept: MiscellaneousPaidInCapital

Miscellaneous Paid-In Capital had no activity in 2023; therefore, the balance at December 31, 2023 is unchanged as compared to the balance at December 31, 2022.

(c) Concept: AccumulatedOtherComprehensiveIncome

Refer to Note 8, Accumulated Other Comprehensive Income (Loss) for further discussion.

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule II - Service Company Property**

1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote.
2. Describe each construction work in progress on lines 18 through 30 in Column (b).

Line No.	Account # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)
1	301	Organization	0				0
2	303	Miscellaneous Intangible Plant	159,430		142,957		16,473
3	306	Leasehold Improvements	0				0
4	389	Land and Land Rights	0				0
5	390	Structures and Improvements	9,365,955		0		9,365,955
6	391	Office Furniture and Equipment	835,612		172,013		663,599
7	392	Transportation Equipment	0				0
8	393	Stores Equipment	0				0
9	394	Tools, Shop and Garage Equipment	0				0
10	395	Laboratory Equipment	0				0
11	396	Power Operated Equipment	0				0
12	397	Communications Equipment	84,939		489		84,450
13	398	Miscellaneous Equipment	0				0
14	399	Other Tangible Property	0				0
15	399.1	Asset Retirement Costs	0				0
16		Total Service Company Property (Total of Lines 1-15)	10,445,936	0	315,459	0	10,130,477
17	107	Construction Work in Progress:					
18		Structures, Improvements, Office Furniture/Equipment, and Other	73,666			(1,274,786)	(1,201,120)
19			0				
31		Total Account 107 (Total of Lines 18-30)	73,666	0		(1,274,786)	(1,201,120)
32		Total (Lines 16 and Line 31)	10,519,602	0		(1,274,786)	8,929,357

FOOTNOTE DATA

(a) Concept: ConstructionWorkInProgress

Credit due to the clearing of overhead allocations to construction work in progress that will be allocated to LG&E and KU in 2024.

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
	(2) <input type="checkbox"/> A Resubmission		

**Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property**

1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.

Line No.	Account Number (a)	Description (b)	Balance at Beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Changes Additions (Deductions) (f)	Balance at Close of Year (g)
1	301	Organization	0				0
2	303	Miscellaneous Intangible Plant	147,989	11,214	142,957	0	16,246
3	306	Leasehold Improvements	0				0
4	389	Land and Land Rights	0				0
5	390	Structures and Improvements	5,928,417	1,102,317	0	0	7,030,734
6	391	Office Furniture and Equipment	526,430	33,442	172,014	0	387,858
7	392	Transportation Equipment	0				0
8	393	Stores Equipment	0				0
9	394	Tools, Shop and Garage Equipment	0				0
10	395	Laboratory Equipment	0				0
11	396	Power Operated Equipment	0				0
12	397	Communications Equipment	68,365	11,166	489	0	79,042
13	398	Miscellaneous Equipment	0				0
14	399	Other Tangible Property	0				0
15	399.1	Asset Retirement Costs	0				0
16		Total	6,671,201	1,158,139	315,460	0	7,513,880

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule IV - Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	123	Investment In Associate Companies	0	0
2	124	Other Investments	0	0
3	128	Other Special Funds	9,162,021	8,382,278
4	136	Temporary Cash Investments	0	0
5		(Total of Line 1-4)	9,162,021	8,382,278

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule IV - Investments - Other Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Investment Description (a)	Name of Issuing Company (b)	Number of Shares Held (c)	Principal Investment Amount (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
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11				
12				
13				
14				
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20				



Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule IV - Investments - Other Special Funds**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Investment Description (a)	Name of Issuing Company (b)	Number of Shares Held (c)	Principal Investment Amount (d)
1	Post-retirement plan			8,382,278

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule IV - Investments - Temporary Cash Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Investment Description (a)	Balance at Close of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
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16		
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Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule V - Accounts Receivable from Associate Companies**

- List the accounts receivable from each associate company.
- If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)	Total Accommodation or Convenience Payments (e)
1	146	<b>Accounts Receivable From Associate Companies</b>			
2		<b>Associate Company:</b>			
3		PPL Electric Utilities Corporation	139,146	(2,854)	
4		LG&E and KU Capital LLC	141,274,452	169,379,043	893,176
5		FCD LLC	400	894	361
6		Kentucky Utilities Company	62,052,449	43,059,875	453,194,292
7		Louisville Gas and Electric Company	58,236,422	49,303,023	444,550,885
8		Western Kentucky Energy Corp.	643	2,206	6,052
9		LG&E and KU Energy LLC	4,600		8,544
10		PPL Rhode Island Holdings, LLC	305,999	208,556	
11		PPL Corporation	2,924,658	204,459	775,943
12		PPL Services Corporation			5,813,284
13		PPL Translink Inc			333
14		The Narragansett Electric Company	342,586	26,892	
40	Total		265,281,355	262,182,094	

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule VI - Fuel Stock Expenses Undistributed**

1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company.  
2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.

Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	152	Fuel Stock Expenses Undistributed			
2		Associate Company:			
3				0	0
40	Total		0	0	0

FOOTNOTE DATA

[\(a\)](#) Concept: FuelStockExpensesUndistributedExpenses

Fuel functions provided are primarily accounted for as convenience payments for fuel contract settlements or services provided by LKS as an administrative agent, paying agent or other representative capacity, for the respective affiliate(s). The following fuel related services are provided by LKS and charged to the respective FERC accounts of the affiliates:

- Procurement of fuel, scrubber reagent, ammonia, and SO3 mitigation chemicals
- Transportation service to move these commodities from the loading point to the power plant
- Monitoring of quality, inventory level, and forecasted requirements
- Making purchases as needed on a timely basis
- Preparing bid solicitation for coal, and other commodities, as necessary, and evaluating those bids
- Negotiating and writing the contracts and purchase orders
- Contract Administration

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule VII - Stores Expense Undistributed**

1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	163	<b>Stores Expense Undistributed</b>			
2		<b>Associate Company:</b>			
3					0
40	<b>Total</b>		0	0	0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule VIII - Miscellaneous Current and Accrued Assets**

1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	174	<b>Miscellaneous Current and Accrued Assets</b>		
2		<b>Item List:</b>		
3		None.	0	
4			0	
5			0	
40	Total		0	0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule IX - Miscellaneous Deferred Debits**

1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	186	<b>Miscellaneous Deferred Debits</b>		
2		<b>Item List:</b>		
3		Year end pension and post-retirement deferrals	(778,948)	0
40	Total		(778,948)	0



Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule X - Research, Development, or Demonstration Expenditures**

1. Describe each material research, development, or demonstration project that incurred costs by the service company during the year. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Amount (c)
1	188	Research, Development, or Demonstration Expenditures	
2		Project List:	
3			
4			
5			
6			
7			
8			
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10			
11			
12			
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24			

Line No.	Account Number (a)	Title of Account (b)	Amount (c)
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
40	Total		0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XI - Proprietary Capital**

- For Miscellaneous Paid-In Capital (Account 211) and Appropriated Retained Earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.
- For Unappropriated Retained Earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing non-associates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.

Line No.	Account Number (a)	Title of Account (b)	Description (c)	Amount (d)
1	201	Common Stock Issued	Number of Shares Authorized	1,000
2			Par or Stated Value per Share	
3			Outstanding Number of Shares	100
4			Close of Period Amount	100
5	204	Preferred Stock Issued	Number of Shares Authorized	
6			Par or Stated Value per Share	
7			Outstanding Number of Shares	
8			Close of Period Amount	
9	211	Miscellaneous Paid-In Capital		100,000,900
10	215	Appropriated Retained Earnings		0
11	219	Accumulated Other Comprehensive Income		(67,638,652)
12	216	Unappropriated Retained Earnings	Balance at Beginning of Year	(9,570,696)
13			Net Income or (Loss)	(603,441)
14			Dividend Paid	
15			Balance at Close of Year	(10,174,137)

Line No.	Dividends paid during the year				
	Dividend Paid Description (a)	Dividend Rate (b)	Dividend Paid Amount (c)	Dividend Declared Date (d)	Dividend Paid Date (e)
1					
2					
3					
4					
5					
6					
7					
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30					



FOOTNOTE DATA

(a) Concept: MiscellaneousPaidInCapital

Miscellaneous Paid-In Capital had no activity in 2023; therefore, the balance at December 31, 2023 is unchanged as compared to the balance at December 31, 2022.

(b) Concept: AccumulatedOtherComprehensiveIncome

Refer to Note 8, Accumulated Other Comprehensive Income (Loss) for further discussion.

(c) Concept: NetIncomeLossUnappropriatedRetainedEarnings

\$4,545 of nonassociate direct costs are included in Net Income or (Loss).

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XII - Long-Term Debt**

1. For Advances from Associate Companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (d).
2. For the deductions in Column (i), give an explanation in a footnote.
3. For Other Long-Term Debt (Account 224), list the name of the creditor company or organization in Column (b).

Line No.	Account Number (a)	Title of Account (b)	Term of Obligation (c)	Class & Series of Obligation (d)	Date of Maturity (e)	Interest Rate (f)	Amount Authorized (g)	Balance at Beginning of Year (h)	Additions Deductions (i)	Balance at Close of Year (j)
1	223	<b>Advances from Associate Companies</b>								
2		<b>Associate Company:</b>								
3								0		
13		Total						0	0	0
14	224	<b>Other Long Term Debt</b>								
15		<b>List Creditor:</b>								
16								0		
28		Total						0	0	0

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XIII - Current and Accrued Liabilities**

1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234).  
2. Give description and amount of Miscellaneous Current and Accrued Liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	233	Notes Payable to Associate Companies		
2		Associate Company:		
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
23		Subtotal (Total of Lines 3-22)	0	0
24	234	Accounts Payable to Associate Companies		



Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
25		<b>Associate Company:</b>		
26		PPL Corporation (234)	840,303	129,480
27		PPL Services Corporation (234)	14,929,733	17,573,757
28		PPL Electric Utilities Corporation (234)	0	0
40		Subtotal (Total of Lines 26-39)	15,770,036	17,703,237
41	242	<b>Miscellaneous Current and Accrued Liabilities</b>		
42		<b>Items List:</b>		
43		Miscellaneous Liability - Employee Life Insurance (242)	82,000	0
44		Miscellaneous Liability - Vested Vacation (242)	10,669,720	10,165,242
45		Accrued Legal Expense (242)	153	0
46		Accrued Short Term Incentive (242)	2,321,058	2,185,379
47		Pension Payable SERP Current (242)	6,336,564	6,209,605
48		Retirement Income Liability (242)	3,848,975	3,612,765
49		Incurred But Not Paid (IBNP) Medical and Dental Reserve (242)	2,075,657	1,571,861
49		Subtotal (Total of Lines 43-48)	25,334,127	23,744,852
50		TOTAL (LINES 23, 40, AND 49)	41,104,163	41,448,089
<b>Page 203</b>				

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XIV - Notes to Financial Statements**

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Extraordinary Income (Account 434) or Extraordinary Deductions (Account 435).
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio, explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

**Note 1 – Organization of LG&E and KU Services Company**

LG&E and KU Services Company (“LKS” or the “Company”), a Kentucky corporation, is a wholly-owned subsidiary of LG&E and KU Energy LLC (“LKE”) and a centralized service company under the Public Utility Holding Company Act of 2005 (“PUHCA 2005”). LKE, in turn, is an indirect wholly-owned subsidiary of PPL Corporation (“PPL”) and LKS is an indirect, wholly-owned subsidiary of PPL. On December 1, 2010, PPL and certain subsidiaries, including LKE, filed a notification of holding company status with the Federal Energy Regulatory Commission (“FERC”) under PUHCA 2005.

LKS provides certain services to affiliated entities at cost. LKS is organized along functional lines to accomplish its purpose of providing management, administrative, and technical services.

**Note 2 - Summary of Significant Accounting Policies**

LKS follows the FERC Uniform System of Accounts for Centralized Service Companies Subject to the Provisions of PUHCA 2005. The accompanying financial statements were prepared in accordance with the accounting requirements set forth in the Uniform System of Accounts and published accounting releases of the FERC, which is a comprehensive basis of accounting other than GAAP.

Presentation

The accompanying financial statements are prepared on the regulatory basis of accounting in accordance with the requirements of the FERC, which is a comprehensive basis of accounting other than GAAP. The significant differences between GAAP and FERC reporting are as follows:

Reporting Classifications	FERC reporting	GAAP reporting
Balance Sheet presentation	Reported in order of Uniform System of Accounts (18 CFR Part 101) account number	Reported in order of liquidity
Pension and Post-retirement plan non-service costs or credits	Capital portion reported in Electric Plant in Service (101) and Construction Work in Progress (107).  Depreciation on Capital component is reported in Accumulated Provision for Depreciation of Electric Utility Plant (108) and Depreciation Expense (403)  Expense portion reported in Pension and Benefits (926) under Administrative and General.	Portion capitalized for FERC is reported as a regulatory asset or liability for GAAP.  Regulatory Asset or Liability is amortized to Other Income and Expense.  Expense portion reported in Other Income and Expense.
Noncurrent Prepayments	Reported in Prepayments (165)	Reported in Other Long-Term Assets
Payable and Accrued expenses	Reported in Accounts Payable (232), Notes Payable to Associate Companies (233), Accounts Payable to Associate Companies (234), Taxes Accrued (236), and Reported in Tax Collections Payable (241)	Reported in Other current liabilities
Deferred tax assets and liabilities	Reported in the respective accumulated deferred income tax FERC accounts (i.e. FERC Accounts Deferred Asset (190) and Deferred Liability (282 – 283) for a gross balance sheet presentation)	Netted and categorized into noncurrent deferred tax asset and/or liability positions on the Balance Sheets
Income taxes	Income Taxes (408, 409), Deferred Taxes (410, 411) and Investment Tax Credits (411) are reported on separate lines on the Income Statement.	Income Taxes, Deferred Taxes and Investment Tax Credits are netted on a single line on the Income Statement.
Amounts presented within the Balance Sheet and Income Statement	Reported without Purchase Accounting adjustments.	Reported with Purchase Accounting adjustments.
Implementation costs incurred in a cloud computing arrangement that is considered a service contract.	Reported in PP&E (101,106, 107, 111).	Reported in Other Noncurrent Assets.

**General**

Capitalized terms and abbreviations appearing in the notes to financial statements are defined in the glossary. Dollars within these footnotes are in millions, unless otherwise noted.

Accounting Records

The system of accounts for domestic regulated entities is maintained in accordance with the Uniform System of Accounts for Centralized Service Companies subject to the Provisions of PUHCA 2005, prescribed by the FERC.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Loss Accruals

Potential losses are accrued when (1) information is available that indicates it is "probable" that a loss has been incurred, given the likelihood of the uncertain future events and (2) the amount of the loss can be reasonably estimated. Accounting guidance defines "probable" as cases in which "the future event or events are likely to occur." LKS continuously assesses potential loss contingencies for litigation claims, regulatory penalties and other events. The accrual of contingencies that might result in gains is not recorded, unless realization is assured.

**Revenue Recognition**

LKS' revenues are generally recorded based on services provided to associate companies through the end of the reporting period.

Accounts Receivable and Accounts Receivable from Associate Companies

Accounts Receivable and Accounts Receivable from Associate Companies are reported on the balance sheets at the gross outstanding amount. When required, an allowance for doubtful accounts is recorded separately.

### **Fair Value Measurements**

LKS values certain financial and nonfinancial assets and liabilities at fair value. Generally, the most significant fair value measurements relate to investments in securities in defined benefit plans. LKS uses, as appropriate, 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) to measure the fair value of an asset or liability. 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.

LKS classifies fair value measurements within one of three levels in the fair value hierarchy. The level assigned to a fair value measurement is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for substantially the full term of the asset or liability.

Level 3 - unobservable inputs that management believes are predicated on the assumptions market participants would use to measure the asset or liability at fair value.

Assessing the significance of a particular input requires judgment that considers factors specific to the asset or liability. As such, LKS' assessment of the significance of a particular input may affect how the assets and liabilities are classified within the fair value hierarchy.

### **Property, Plant and Equipment (PP&E)**

PP&E is recorded at original cost, unless impaired. If impaired, the asset is written down to fair value at that time, which becomes the new cost basis of the asset. Original cost for constructed assets includes material, labor, contractor costs, and certain overheads, where applicable. The cost of repairs and minor replacements are charged to expense as incurred.

### **Depreciation and Amortization**

Depreciation is recorded over the estimated useful lives of property using various methods including the straight-line and group methods. When a component of PP&E that was depreciated under the group method is retired, the original cost is charged to accumulated depreciation. When all or a significant portion of an operating unit that was depreciated under the group method is retired or sold, the property and related accumulated depreciation account is reduced and any gain or loss is included in income. The average rate of depreciation was 11.4% at December 31, 2023 and 12.2% at December 31, 2022.

### **Asset Impairment**

LKS reviews long-lived assets that are subject to depreciation or amortization for impairment when events or circumstances indicate carrying amounts may not be recoverable.

A long-lived asset, classified as held and used, is impaired when the carrying amount of the asset exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If impaired, the asset's carrying value is written down to its fair value. LKS had no asset impairments during the years ended December 31, 2023 and 2022.

### **Income Taxes**

Significant management judgment is required in developing the Company's provision for income taxes, primarily due to the uncertainty related to tax positions taken or expected to be taken in tax returns and valuation allowances on deferred tax assets.

The Company uses a two-step process to evaluate tax positions. The first step requires an entity to determine whether, based on the technical merits supporting a particular tax position, it is more likely than not (greater than a 50% chance) that the tax position will be sustained. This determination assumes that the relevant taxing authority will examine the tax position and is aware of all the relevant facts surrounding the tax position. The second step requires an entity to recognize in the financial statements the benefit of a tax position that meets the more-likely-than-not recognition criterion. The benefit recognized is measured at the largest amount of benefit that has a likelihood of realization, upon settlement, that exceeds 50%. Unrecognized tax benefits are classified as current to the extent management expects to settle an uncertain tax position by payment or receipt of cash within one year of the reporting date. The amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued and may materially impact the financial statements of the Company in future periods. At December 31, 2023, no significant changes in unrecognized tax benefits are projected over the next 12 months.

### **Accumulated Deferred Income Taxes**

Deferred income taxes reflect the net future tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their basis for income tax purposes, as well as the tax effects of net operating losses and tax credit carryforwards.

The Company records valuation allowances to reduce deferred income tax assets to the amounts that are more likely than not to be realized. The need for valuation allowances requires significant management judgment. If the Company determines that they are able to realize deferred tax assets in the future in excess of recorded net deferred tax assets, adjustments to the valuation allowances increase income by reducing tax expense in the period that such determination is made. Likewise, if the Company determines that they are not able to realize all or part of net deferred tax assets in the future, adjustments to the valuation allowances would decrease income by increasing tax expense in the period that such determination is made. The amount of deferred tax assets ultimately realized may differ materially from the estimates utilized in the computation of valuation allowances and may materially impact the financial statements in the future.

See Note 3 for additional discussion regarding income taxes.

### **Note 3 - Income Taxes**

LKS's federal income tax return is included in a United States consolidated income tax return filed by LKS's parent, PPL. Each subsidiary of the consolidated tax group calculates its separate income tax for each period. The resulting separate-return tax cost or benefit is paid to or received from the parent company or its designee. The Company also files income tax returns in various state jurisdictions. The tax years for 2019 and prior for Federal and 2018 and prior for State are no longer subject to examination.

Significant components of deferred tax assets and liabilities are summarized below as of December 31:

	<u>2023</u>	<u>2022</u>
Net Deferred tax assets and liabilities:		
Pensions and similar obligations	\$49	\$43
Liabilities and other	6	8
Total Net Deferred tax assets and liabilities	<u>\$55</u>	<u>\$51</u>

At December 31, LKS had the following loss carryforwards.

	<u>2023</u>	<u>Expiration</u>
<b>Loss carryforwards</b>		
State net operating losses	\$12	2035-2038

Significant components of income tax expense are shown in the table below for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Income Tax Expense (Benefit)		
Current – Federal	\$2	\$1
Current – State	(4)	—
Deferred – Federal	(1)	—
Deferred – State	4	—
Total income tax expense (benefit)	<u>\$1</u>	<u>\$1</u>
	<u>2023</u>	<u>2022</u>
Reconciliation of Income Tax Expense (Benefit)		
Increases (decreases) due to:		
Other	\$1	\$1
Total income tax expense (benefit)	<u>\$1</u>	<u>\$1</u>

#### Note 4 - Leases

Substantially all leases, other than leases associated with rental of certain equipment, are the obligation of affiliated operating entities. LKS records, as an intercompany expense, costs incurred for the use of leased office space and equipment. These intercompany expenses are reflected in Account 931 on the Income Statement.

#### Note 5 - Defined Benefits

Although LKS does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by LKE based on its participation in those plans, which management believes are reasonable. An asset or liability is recorded to recognize the funded status of all defined benefit plans with an offsetting entry to AOCI. Consequently, the allocated portion of funded status of all defined benefit plans for LKS is fully recognized on the Balance Sheets.

The majority of LKS employees are eligible for certain health care and life insurance benefits upon retirement through a contributory plan. Postretirement health benefits may be paid from a 401(h) account established as part of the LKE Pension plan within the PPL Services Corporation Master Trust, funded VEBA trusts, and company funds.

The actuarially determined obligations of current active employees and retired employees of LKS are used as a basis to allocate total plan activity, including active and retiree costs and obligations. LKS's allocated share of the funded status of the pension plans resulted in a liability of \$214 million and \$191 million at December 31, 2023 and 2022. LKS's allocated share of other postretirement benefits resulted in a \$8 million and \$9 million noncurrent asset in 2023 and in 2022.

#### Expected Cash Flows - Defined Benefit Plans

LKS does not plan to make contributions to the qualified pension plans in 2024, as the plan has the option to utilize available prior year credit balances to meet current and future contribution requirements.

LKE sponsors various non-qualified supplemental pension plans for which no assets are segregated from corporate assets. LKS expects to make \$6 million of benefit payments under these plans in 2024.

#### Savings Plans

Substantially all of LKS's employees are eligible to participate in a deferred savings plan (401(k)). Employer contributions to the plan totaled \$8 million and \$9 million in 2023 and 2022.

## Note 6 - Commitments and Contingencies

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

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 contractual arrangements.

## Note 7 - Related Party Transactions

### Provisions of Services

LKS engages in transactions in the normal course of business with other LKE subsidiaries and PPL subsidiaries. These transactions are primarily composed of services received and/or rendered including contracting with third party vendors for goods and services. These services are priced at cost which represents market.

LKS provides the subsidiaries of LKE and PPL with a variety of centralized administrative, management and support services. Charges for these services include labor, overheads and other expenses of LKS employees performing services for the subsidiaries of LKE and PPL and vouchers paid by LKS on behalf of the subsidiaries of LKE and PPL. The cost of these services is directly charged or, for general costs which cannot be directly attributed, charged based on predetermined allocation factors, including the ratios discussed in Methods of Allocations on page 402.

Direct charges consist of directly assignable costs incurred for activities and services exclusively for the benefit of one affiliate and directly attributable costs incurred for activities and services that benefit more than one affiliate and which can be apportioned using direct measures of costs causation. Indirectly attributable costs are incurred for activities and services that benefit more than one affiliate and which can be apportioned using general measures of cost causation.

Intercompany billings from LKS are listed on page 307, Analysis of Billing – Associate Companies (Account 457).

Intercompany billings are settled monthly; accordingly, there is no interest or other compensation charged for the use of capital.

## Note 8 - Accumulated Other Comprehensive Income (Loss)

The after-tax changes in AOCI, for the years ended December 31 were as follows:

	Defined Benefit Plans		
	Prior service costs	Actuarial gain (loss)	Total
<b>December 31, 2021</b>	\$ (9)	\$ (89)	\$ (98)
Amounts arising during the period	—	33	33
Reclassifications from AOCI	2	13	15
Net OCI during the period	2	46	48
<b>December 31, 2022</b>	\$ (7)	\$ (43)	\$ (50)
Amounts arising during the period	—	(18)	(18)
Reclassifications from AOCI	1	(1)	—
Net OCI during the period	1	(19)	(18)
<b>December 31, 2023</b>	\$ (6)	\$ (62)	\$ (68)

The following table presents the gains (losses) and prior service cost with related taxes for reclassifications from AOCI for the years ended December 31, 2023 and 2022. The defined benefit plan components of AOCI are not reflected in their entirety in the Income Statement; rather, they are included in the computation of net periodic defined benefit costs (credits). See Note 5 for additional information.

Details about AOCI	2023		
	Total Pre-tax	Income Taxes	Total After-tax
Defined benefit plans			
Net actuarial loss	\$ 1	\$ —	\$ 1
Prior Service Cost	(1)	—	(1)
Total reclassifications	\$ —	\$ —	\$ —

	2022		
	Total Pre-tax	Income Taxes	Total After-tax
<b>Details about AOCI</b>			
Defined benefit plans			
Net actuarial loss	\$ (17)	\$ 4	\$ (13)
Prior Service Cost	(2)	—	(2)
Total reclassifications	\$ (19)	\$ 4	\$ (15)

#### Note 9 - Subsequent Events

Subsequent events have been evaluated through April 26, 2024, the date of issuance of these statements. These statements contain all necessary adjustments and disclosures resulting from that evaluation.

#### 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 ultimate parent holding company of PPL Electric, PPL Energy Funding, PPL Capital Funding, LKE and other subsidiaries.

**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 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.

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

##### Other terms and abbreviations

**401(h) account(s)** - a sub-account established within a qualified pension trust to provide for the payment of retiree medical costs.

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

**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.

**MMBtu** - one million British Thermal Units.

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

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

**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.

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

**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.



Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XV - Comparative Income Statement**

Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
1		SERVICE COMPANY OPERATING REVENUES		
2	400	Service Company Operating Revenues	298,766,969	317,510,653
3		SERVICE COMPANY OPERATING EXPENSES		
4	401	Operation Expenses	151,024,793	196,179,649
5	402	Maintenance Expenses	10,005,625	10,068,728
6	403	Depreciation Expenses	1,158,139	1,193,162
7	403.1	Depreciation Expense for Asset Retirement Costs		
8	404	Amortization of Limited-Term Property		
9	405	Amortization of Other Property		
10	407.3	Regulatory Debits		
11	407.4	Regulatory Credits		
12	408.1	Taxes Other Than Income Taxes, Operating Income	9,839,921	10,922,198
13	409.1	Income Taxes, Operating Income	(747,734)	2,054,438
14	410.1	Provision for Deferred Income Taxes, Operating Income	6,944,999	11,742,120
15	411.1	Provision for Deferred Income Taxes - Credit , Operating Income	(4,496,945)	(11,626,668)
16	411.4	Investment Tax Credit, Service Company Property		
17	411.6	Gains from Disposition of Service Company Plant	0	
18	411.7	Losses from Disposition of Service Company Plant	0	
19	411.10	Accretion Expense	0	
20	412	Costs and Expenses of Construction or Other Services	122,342,181	92,702,320
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work	51,602	16,368
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	296,122,581	313,252,315
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	2,644,388	4,258,338
24		OTHER INCOME		
25	418.1	Equity in Earnings of Subsidiary Companies	0	
26	419	Interest and Dividend Income	0	1,805

Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
27	419.1	Allowance for Other Funds Used During Construction	0	
28	421	Miscellaneous Income or Loss		
29	421.1	Gain on Disposition of Property	0	
30		TOTAL OTHER INCOME (Total of Lines 25-29)		1,805
31		OTHER INCOME DEDUCTIONS		
32	421.2	Loss on Disposition of Property	0	
33	425	Miscellaneous Amortization	0	
34	426.1	Donations	0	
35	426.2	Life Insurance	0	
36	426.3	Penalties	0	
37	426.4	Expenditures for Certain Civic, Political and Related Activities	1,442,206	1,295,135
38	426.5	Other Deductions	2,902,502	5,133,093
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	4,344,708	6,428,228
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		
41	408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
42	409.2	Income Taxes, Other Income and Deductions	(1,096,879)	(1,607,477)
43	410.2	Provision for Deferred Income Taxes, Other Income and Deductions		
44	411.2	Provision for Deferred Income Taxes - Credit, Other Income and Deductions		
45	411.5	Investment Tax Credit, Other Income Deductions		
46		TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45)	(1,096,879)	(1,607,477)
47		INTEREST CHARGES		
48	427	Interest on Long-Term Debt	0	
49	428	Amortization of Debt Discount and Expense	0	
50	429	(less) Amortization of Premium on Debt- Credit	0	
51	430	Interest on Debt to Associate Companies	0	
52	431	Other Interest Expense	0	
53	432	(less) Allowance for Borrowed Funds Used During Construction-Credit	0	
54		TOTAL INTEREST CHARGES (Total of Lines 48-53)	0	0
55		NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54)	(603,441)	(560,608)
56		EXTRAORDINARY ITEMS		
57	434	Extraordinary Income		

Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
58	435	(less) Extraordinary Deductions		
59		Net Extraordinary Items (Line 57 less Line 58)	0	0
60	409.4	(less) Income Taxes, Extraordinary		
61		Extraordinary Items After Taxes (Line 59 less Line 60)	0	0
62		NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55 and 61)	(603,441)	(560,608)
<b>Page 301</b>				

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
	(2) <input type="checkbox"/> A Resubmission		

**Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies**

1. Total cost of service will equal for associate and non-associate companies the total amount billed under their separate analysis of billing schedules.

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
1	403-403.1	Depreciation Expense	1,158,139	0	1,158,139			0	1,158,139	0	1,158,139
2	404-405	Amortization Expense	0	0	0			0	0	0	0
3	407.3-407.4	Regulatory Debits/Credits - Net	0	0	0			0	0	0	0
4	408.1-408.2	Taxes Other Than Income Taxes	6,761,541	3,078,380	9,839,921			0	6,761,541	3,078,380	9,839,921
5	409.1-409.3	Income Taxes	(2,448,054)	0	(2,448,054)			0	(2,448,054)	0	(2,448,054)
6	410.1-410.2	Provision for Deferred Taxes	2,448,054	0	2,448,054			0	2,448,054	0	2,448,054
7	411.1-411.2	Provision for Deferred Taxes - Credit			0			0	0	0	0
8	411.6	Gain from Disposition of Service Company Plant	0	0	0			0	0	0	0
9	411.7	Losses from Disposition of Service Company Plant	0	0	0			0	0	0	0
10	411.4-411.5	Investment Tax Credit Adjustment	0	0	0			0	0	0	0
11	411.10	Accretion Expense	0	0	0			0	0	0	0
12	412	Costs and Expenses of Construction or Other Services	122,342,181	0	122,342,181			0	122,342,181	0	122,342,181
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies	51,602	0	51,602			0	51,602	0	51,602
14	418	Non-operating Rental Income	0	0	0			0	0	0	0

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
15	418.1	Equity in Earnings of Subsidiary Companies	0	0	0			0	0	0	0
16	419	Interest and Dividend Income	0	0	0			0	0	0	0
17	419.1	Allowance for Other Funds Used During Construction	0	0	0			0	0	0	0
18	421	Miscellaneous Income or Loss	0	0	0			0	0	0	0
19	421.1	Gain on Disposition of Property	0	0	0			0	0	0	0
20	421.2	Loss on Disposition Of Property	0	0	0			0	0	0	0
21	425	Miscellaneous Amortization	0	0	0			0	0	0	0
22	426.1	Donations	0	0	0			0	0	0	0
23	426.2	Life Insurance	0	0	0			0	0	0	0
24	426.3	Penalties	0	0	0			0	0	0	0
25	426.4	Expenditures for Certain Civic, Political and Related Activities	1,432,766	9,440	1,442,206			0	1,432,766	9,440	1,442,206
26	426.5	Other Deductions	2,847,987	54,515	2,902,502			0	2,847,987	54,515	2,902,502
27	427	Interest On Long-Term Debt	0	0	0			0	0	0	0
28	428	Amortization of Debt Discount and Expense	0	0	0			0	0	0	0
29	429	Amortization of Premium on Debt - Credit	0	0	0			0	0	0	0
30	430	Interest on Debt to Associate Companies	0	0	0			0	0	0	0
31	431	Other Interest Expense	0	0	0			0	0	0	0
32	432	Allowance for Borrowed Funds Used During Construction	0	0	0			0	0	0	0
33	500-509	Total Steam Power Generation Operation Expenses	12,660,755	0	12,660,755			0	12,660,755	0	12,660,755

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
34	510-515	Total Steam Power Generation Maintenance Expenses	4,129,814	0	4,129,814			0	4,129,814	0	4,129,814
35	517-525	Total Nuclear Power Generation Operation Expenses	0	0	0			0	0	0	0
36	528-532	Total Nuclear Power Generation Maintenance Expenses	0	0	0			0	0	0	0
37	535-540.1	Total Hydraulic Power Generation Operation Expenses	7,281	0	7,281			0	7,281	0	7,281
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses	1,310	0	1,310			0	1,310	0	1,310
39	546-550.1	Total Other Power Generation Operation Expenses	470,011	0	470,011			0	470,011	0	470,011
40	551-554.1	Total Other Power Generation Maintenance Expenses	73,771	0	73,771			0	73,771	0	73,771
41	555-557	Total Other Power Supply Operation Expenses	3,935,421	0	3,935,421			0	3,935,421	0	3,935,421
42	560	Operation Supervision and Engineering	3,230,530	0	3,230,530			0	3,230,530	0	3,230,530
43	561.1	Load Dispatch-Reliability	469,425	0	469,425			0	469,425	0	469,425
44	561.2	Load Dispatch-Monitor and Operate Transmission System	4,108,183	0	4,108,183			0	4,108,183	0	4,108,183
45	561.3	Load Dispatch-Transmission Service and Scheduling	970,162	0	970,162			0	970,162	0	970,162
46	561.4	Scheduling, System Control and Dispatch Services	0	0	0			0	0	0	0
47	561.5	Reliability Planning and Standards Development	900,207	0	900,207			0	900,207	0	900,207
48	561.6	Transmission Service Studies	77,669	0	77,669			0	77,669	0	77,669
49	561.7	Generation Interconnection Studies	15,478	0	15,478			0	15,478	0	15,478

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
50	561.8	Reliability Planning and Standards Development Services	0	0	0			0	0	0	0
51	562	Station Expenses (Major Only)	144,424	0	144,424			0	144,424	0	144,424
51.1	562.1	Operation of Energy Storage Equipment									
52	563	Overhead Line Expenses (Major Only)	424,315	0	424,315			0	424,315	0	424,315
53	564	Underground Line Expenses (Major Only)	0	0	0			0	0	0	0
54	565	Transmission of Electricity by Others (Major Only)	0	0	0			0	0	0	0
55	566	Miscellaneous Transmission Expenses (Major Only)	1,167,327	0	1,167,327			0	1,167,327	0	1,167,327
56	567	Rents	0	0	0			0	0	0	0
57	567.1	Operation Supplies and Expenses (Nonmajor Only)	0	0	0			0	0	0	0
58		Total Transmission Operation Expenses	11,507,720	0	11,507,720			0	11,507,720	0	11,507,720
59	568	Maintenance Supervision and Engineering (Major Only)	0	0	0			0	0	0	0
60	569	Maintenance of Structures (Major Only)	0	0	0			0	0	0	0
61	569.1	Maintenance of Computer Hardware	318	0	318			0	318	0	318
62	569.2	Maintenance of Computer Software	1,038,684	0	1,038,684			0	1,038,684	0	1,038,684
63	569.3	Maintenance of Communication Equipment	0	0	0			0	0	0	0
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant	0	0	0			0	0	0	0
65	570	Maintenance of Station Equipment (Major Only)	978,326	0	978,326			0	978,326	0	978,326

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
65.1	570.1	Maintenance of Energy Storage Equipment									
66	571	Maintenance of Overhead Lines (Major Only)	648,662	0	648,662			0	648,662	0	648,662
67	572	Maintenance of Underground Lines (Major Only)	0	0	0			0	0	0	0
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)	48,239	0	48,239			0	48,239	0	48,239
69	574	Maintenance of Transmission Plant (Nonmajor Only)	0	0	0			0	0	0	0
70		Total Transmission Maintenance Expenses	2,714,229	0	2,714,229			0	2,714,229	0	2,714,229
71	575.1-575.8	Total Regional Market Operation Expenses	0	0	0			0	0	0	0
72	576.1-576.5	Total Regional Market Maintenance Expenses	0	0	0			0	0	0	0
73	580-589	Total Distribution Operation Expenses	13,777,376	0	13,777,376	0	0	0	13,777,376	0	13,777,376
74	590-598	Total Distribution Maintenance Expenses	1,035,828	0	1,035,828			0	1,035,828	0	1,035,828
75		Total Electric Operation and Maintenance Expenses	184,907,732	3,142,335	188,050,067	0	0	0	184,907,732	3,142,335	188,050,067
76	700-798	Production Expenses (Provide selected accounts in a footnote)	0	0	0			0	0	0	0
77	800-813	Total Other Gas Supply Operation Expenses	3,603	0	3,603			0	3,603	0	3,603
78	814-826	Total Underground Storage Operation Expenses	102,174	0	102,174			0	102,174	0	102,174
79	830-837	Total Underground Storage Maintenance Expenses	720	0	720			0	720	0	720
80	840-842.3	Total Other Storage Operation Expenses	0	0	0			0	0	0	0



Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
81	843.1-843.9	Total Other Storage Maintenance Expenses	0	0	0			0	0	0	0
82	844.1-846.2	Total Liquefied Natural Gas Terminaling and Processing Operation Expenses	0	0	0			0	0	0	0
83	847.1-847.8	Total Liquefied Natural Gas Terminaling and Processing Maintenance Expenses	0	0	0			0	0	0	0
84	850	Operation Supervision and Engineering	355,547	0	355,547			0	355,547	0	355,547
85	851	System Control and Load Dispatching	813	0	813			0	813	0	813
86	852	Communication System Expenses	0	0	0			0	0	0	0
87	853	Compressor Station Labor and Expenses	0	0	0			0	0	0	0
88	854	Gas for Compressor Station Fuel	0	0	0			0	0	0	0
89	855	Other Fuel and Power for Compressor Stations	0	0	0			0	0	0	0
90	856	Mains Expenses	0	0	0			0	0	0	0
91	857	Measuring and Regulating Station Expenses	0	0	0			0	0	0	0
92	858	Transmission and Compression of Gas By Others	0	0	0			0	0	0	0
93	859	Other Expenses	83,526	0	83,526			0	83,526	0	83,526
94	860	Rents	0	0	0			0	0	0	0
95		Total Gas Transmission Operation Expenses	439,886	0	439,886			0	439,886	0	439,886
96	861	Maintenance Supervision and Engineering	0	0	0			0	0	0	0
97	862	Maintenance of Structures and Improvements	0	0	0			0	0	0	0
98	863	Maintenance of Mains	19,162	0	19,162			0	19,162	0	19,162

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
99	864	Maintenance of Compressor Station Equipment	0	0	0			0	0	0	0
100	865	Maintenance of Measuring And Regulating Station Equipment	0	0	0			0	0	0	0
101	866	Maintenance of Communication Equipment	0	0	0			0	0	0	0
102	867	Maintenance of Other Equipment	0	0	0			0	0	0	0
103		Total Gas Transmission Maintenance Expenses	19,162	0	19,162			0	19,162	0	19,162
104	871-881	Total Distribution Operation Expenses	1,226,130	0	1,226,130			0	1,226,130	0	1,226,130
105	885-894	Total Distribution Maintenance Expenses	268,474	0	268,474			0	268,474	0	268,474
106		Total Natural Gas Operation and Maintenance Expenses	2,060,149	0	2,060,149			0	2,060,149	0	2,060,149
107	901	Supervision	6,461,730	0	6,461,730			0	6,461,730	0	6,461,730
108	902	Meter reading expenses	458,008	0	458,008			0	458,008	0	458,008
109	903	Customer records and collection expenses	19,865,179	0	19,865,179			0	19,865,179	0	19,865,179
110	904	Uncollectible accounts	0	0	0			0	0	0	0
111	905	Miscellaneous customer accounts expenses	0	0	0			0	0	0	0
112		Total Customer Accounts Operation Expenses	26,784,917	0	26,784,917			0	26,784,917	0	26,784,917
113	907	Supervision	738,759	0	738,759			0	738,759	0	738,759
114	908	Customer assistance expenses	2,070,250	0	2,070,250			0	2,070,250	0	2,070,250
115	909	Informational And Instructional Advertising Expenses	0	0	0			0	0	0	0
116	910	Miscellaneous Customer Service And Informational Expenses	1,418,620	0	1,418,620			0	1,418,620	0	1,418,620

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
117		Total Service and Informational Operation Accounts	4,227,629	0	4,227,629			0	4,227,629	0	4,227,629
118	911	Supervision	0	0	0			0	0	0	0
119	912	Demonstrating and Selling Expenses	(2,107,107)	0	(2,107,107)			0	(2,107,107)	0	(2,107,107)
120	913	Advertising Expenses	0	0	0			0	0	0	0
121	916	Miscellaneous Sales Expenses	0	0	0			0	0	0	0
122		Total Sales Operation Expenses	(2,107,107)	0	(2,107,107)			0	(2,107,107)	0	(2,107,107)
123	920	Administrative and General Salaries	28,466,422	2,231,544	30,697,966			0	28,466,422	2,231,544	30,697,966
124	921	Office Supplies and Expenses	9,422,523	278,789	9,701,312	4,545	0	4,545	9,427,068	278,789	9,705,857
125	923	Outside Services Employed	5,532,721	0	5,532,721			0	5,532,721	0	5,532,721
126	924	Property Insurance	(12)	0	(12)			0	(12)	0	(12)
127	925	Injuries and Damages	19,572	6,352	25,924			0	19,572	6,352	25,924
128	926	Employee Pensions and Benefits	28,814,243	2,808,027	31,622,270			0	28,814,243	2,808,027	31,622,270
129	928	Regulatory Commission Expenses	0	0	0			0	0	0	0
130	930.1	General Advertising Expenses	0	0	0			0	0	0	0
131	930.2	Miscellaneous General Expenses	4,642	0	4,642			0	4,642	0	4,642
132	931	Rents	399,629	0	399,629			0	399,629	0	399,629
133		Total Administrative and General Operation Expenses	72,659,740	5,324,712	77,984,452	4,545	0	4,545	72,664,285	5,324,712	77,988,997
134	935	Maintenance of Structures and Equipment	1,762,317	0	1,762,317			0	1,762,317	0	1,762,317
135		Total Administrative and General Maintenance Expenses	103,327,496	5,324,712	108,652,208	4,545	0	4,545	103,332,041	5,324,712	108,656,753

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
136		Total Cost of Service	290,295,377	8,467,047	298,762,424	4,545	0	4,545	290,299,922	8,467,047	298,766,969
Page 303											

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XVII - Analysis of Billing - Associate Companies (Account 457)**

1. For Services Rendered to Associate Companies (Account 457), list all of the associate companies.

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation for Use of Capital (d)	Total Amount Billed (e)
1	Louisville Gas and Electric Company	112,728,852	2,398,576		115,127,428
2	Kentucky Utilities Company	145,623,817	4,145,700		149,769,517
3	FCD LLC	13,851			13,851
4	LG&E and KU Capital LLC	11,364,668	14,934		11,379,602
5	PPL Services Corporation	7,250,602	1,059,448		8,310,050
6	PPL Electric Utilities Corporation	1,615,775	294,598		1,910,373
7	PPL Rhode Island Holdings, LLC	10,991,781	398,694		11,390,475
8	The Narragansett Electric Company	706,031	155,097		861,128
40	Total	290,295,377	8,467,047	0	298,762,424

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)**

1. For Services Rendered to Non-Associate Companies (Account 458), list all of the non-associate companies. In a footnote, describe the services rendered to each respective non-associate company.

Line No.	Name of Non-associate Company (a)	Account 458.1 Direct Costs Charged (b)	Account 458.2 Indirect Costs Charged (c)	Account 458.3 Compensation for Use of Capital (d)	Account 458.4 Excess or Deficiency on Servicing Non-associate Utility Companies (e)	Total Amount Billed (f)
1	<sup>(a)</sup> KYMEA	4,545				4,545
2						0
40	Total	4,545	0	0	0	4,545

FOOTNOTE DATA

(a) Concept: NonAssociateCompanyName

AT&T Data Plan.

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
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**Schedule XIX - Miscellaneous General Expenses - Account 930.2**

1. Provide a listing of the amount included in Miscellaneous General Expenses (Account 930.2), classifying such expenses according to their nature. Amounts less than \$50,000 may be grouped showing the number of items and the total for the group.
2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.

Line No.	Title of Account (a)	Amount (b)
1	R&D expenditures	9,429
2	Other - 6 items less than \$50,000 each	(4,787)
40	Total	4,642



Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
<b>Schedule XX - Organization Chart</b>			
1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.			
2023_LKS_FERC_Form60_OrgChart.pdf			

Name of Respondent: LG&E and KU Services Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/26/2024	Year/Period of Report: End of: 2023/ Q4
<b>Schedule XXI - Methods of Allocation</b>			
1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator. 2. Include any other allocation methods used to allocate costs.			

Service Department or Function	Basis of Allocation
Audit-SOX Testing	Directly Attributable – Number of Controls Ratio
SOX Compliance	Directly Attributable – Number of Controls Ratio
Auditing	Directly Attributable – Number of Operating Segments Ratio
Corporate Compliance Office	Directly Attributable – Number of Employees Ratio
Benchmarking Performance and Measurement	Indirectly Attributable
Corporate Performance Administration	Indirectly Attributable
Data Analytics – Asset Management Support	Indirectly Attributable
KPI Performance & Measurement	Indirectly Attributable
Utility Research & Development	Directly Attributable – Number of Operating Segments Ratio
Emergency Management/Business Continuity	Directly Attributable – Number of Employees Ratio
Physical Security	Directly Attributable – Number of Employees Ratio
Corporate Security Administration	Directly Attributable – Number of Employees Ratio
Protective Services	Directly Attributable – Number of Employees Ratio
Cyber Security Risk Management	Directly Attributable – Number of Network Users Ratio
Chief Operating Officer	Directly Attributable – Number of Operating Segments Ratio
Office of the President	Indirectly Attributable
Asset Accounting	Directly Attributable - Total Utility Plant Assets Ratio
Audit/PCAOB Fees	Directly Attributable – Book Enterprise Value Ratio
Billing	Directly Attributable – Number of Items Processed Ratio
Budgeting	Directly Attributable - Transmission Ratio, - Generation Ratio, - Number of Customers Ratio; Indirectly Attributable
Cash Management	Directly Attributable – Number of Operating Segments Ratio
Chief Financial Officer	Directly Attributable – Number of Operating Segments Ratio
Compensation and Benefits Accounting	Directly Attributable – Number of Employees Ratio
Corporate Accounting	Indirectly Attributable
Financial Reporting	Directly Attributable – Number of Operating Segments Ratio
Financial Planning	Directly Attributable – Number of Operating Segments Ratio
Financings	Directly Attributable – Book Enterprise Value Ratio
Insurance Services – General	Directly Attributable – Insurance Policies Ratio
Internal Reporting	Directly Attributable – Number of Operating Segments Ratio
Investor Relations	Directly Attributable – Book Enterprise Value Ratio
Investor Services Fees	Directly Attributable – Book Enterprise Value Ratio
Payroll	Directly Attributable Directly Attributable - Number of Employees Ratio
Pensions – Domestic Only	Directly Attributable – Plan Assets Ratio; Number of Plan Participants Ratio
Pensions – PA Only	Directly Attributable – Number of Plan Participants Ratio
Rating Agencies	Directly Attributable – Book Enterprise Value Ratio
Regulatory Accounting	Directly Attributable – Number of Operating Segments Ratio
Remittance Processing	Directly Attributable – Number of Items Processed Ratio
Revenue Accounting	Directly Attributable – Revenue Ratio
Risk Strategy	Indirectly Attributable
Tax Services	Indirectly Attributable
Technical Accounting	Directly Attributable – Number of Operating Segments Ratio
Treasury Controls	Indirectly Attributable
Utility Regulatory Reporting	Directly Attributable – Number of Operating Segments Ratio
Vendor Servicing	Directly Attributable – Number of Items Processed Ratio
VP Finance and Accounting	Indirectly Attributable
Corporate Compensation and Benefits Services	Directly Attributable – Number of Employees Ratio
Diversity, Equity & Inclusion	Directly Attributable – Number of Employees Ratio

Employee Benefits	Directly Attributable – Number of Employees Ratio
Employee Communications	Directly Attributable – Number of Employees Ratio
Employee Compensation	Directly Attributable – Number of Employees Ratio
Employee Engagement Services	Directly Attributable – Number of Employees Ratio
Health Services	Directly Attributable – Number of Employees Ratio
Human Resources Benchmarking	Directly Attributable - Number of Employees Ratio
Human Resources Compliance	Directly Attributable – Number of Employees Ratio
Human Resources Business Partners	Directly Attributable – Number of Employees Ratio
Human Resources Information Operations	Directly Attributable – Number of Employees Ratio
Labor Relations	Directly Attributable – Number of Employees Ratio
Organization Development & Effectiveness	Directly Attributable – Number of Employees Ratio
Talent Acquisition Services	Directly Attributable – Number of Employees Ratio
Talent Management and D&I Services	Directly Attributable – Number of Employees Ratio
Training & Development	Directly Attributable – Number of Employees Ratio
University Relations	Directly Attributable – Number of Employees Ratio
Cybersecurity	Directly Attributable - Number of Network Users Ratio
IT-Accounting, Finance and Compliance	Directly Attributable – Number of Network Users Ratio
IT Data & Analytics	Directly Attributable – Number of Network Users Ratio
IT Design	Directly Attributable -Number of Network Users
IT Engineering & Platform Architecture	Directly Attributable -Number of Network Users
IT Infrastructure and Operations	Directly Attributable -Number of Network Users
IT Integration and Strategic Projects	Directly Attributable -Number of Network Users
IT Product	Directly Attributable - Number of Meters Ratio, Directly Attributable - Number of Customers Ratio, Directly Attributable - Number of Network Users Ratio, Directly Attributable - Total Assets Ratio (T, D & G Only)
Annual Meeting/Proxy	Directly Attributable – Number of Operating Segments Ratio
Corporate – FERC Electric Related	Directly Attributable – Number of Operating Segments Ratio
Corporate – Federal Gas Related	Directly Attributable – Number of Operating Segments Ratio
Corporate Compliance Office	Directly Attributable – Number of Employees Ratio
Corporate External and Public Affairs	Directly Attributable -Rate Base Ratio; Indirectly Attributable
General Corporate	Indirectly Attributable
Office Expenses	Indirectly Attributable
Pensions – PA & KY	Directly Attributable – Number of Plan Participants Ratio
SVP, General Counsel, Corporate Secretary & Chief Legal Officer	Directly Attributable – Number of Operating Segments Ratio
Annual Meeting/Proxy	Directly Attributable – Number of Operating Segments Ratio
Board Services	Directly Attributable – Number of Operating Segments Ratio
Community Relations	Directly Attributable - Number of Customers Ratio
External Affairs – KY/VA	Directly Attributable - Number of Customers Ratio
External Communications – KY/VA	Directly Attributable - Number of Customers Ratio
General Corporate	Indirectly Attributable
Internal Communications – KY/VA	Directly Attributable - Number of Employees Ratio
Public Affairs and Corporate Communications Administration	Indirectly Attributable
Sustainability	Directly Attributable – Book Enterprise Value
Utility Lobbying – Gas	Directly Attributable – Rate Base Ratio
Utility Lobbying - Federal	Indirectly Attributable
Utility Lobbying - Transmission	Directly Attributable – Rate Base Ratio
Supply Chain	Directly Attributable – Total Spend Ratio
Administrative Support	Indirectly Attributable
Depreciation	Indirectly Attributable
Facilities Charge	Directly Attributable – Number of Operating Segments Ratio
Advanced Metering Support	Directly Attributable - Number of Meters Ratio
Billing Integrity	Directly Attributable - Number of Customers Ratio

Customer Service	Directly Attributable - Number of Customers Ratio
Customer Service Business Analysis	Directly Attributable - Number of Customers Ratio
Economic Development and Major Accounts	Directly Attributable - Number of Customers Ratio
Energy Efficiency	Directly Attributable - Number of Customers Ratio
Executive Management Services	Directly Attributable - Number of Customers Ratio, Total Utility Plant Assets Ratio, Generation Ratio, Transmission Ratio
Field Services	Directly Attributable - Total Utility Plant Assets Ratio
Meter Reading Services	Directly Attributable - Number of Meters Ratio
Remittance Processing	Directly Attributable - Number of Items Processed Ratio
Sales and Marketing	Directly Attributable - Number of Customers Ratio
Retail Business System Strategy and Learning	Directly Attributable - Number of Customers Ratio
Distribution Asset Management	Directly Attributable - Total Utility Plant Assets Ratio
Electric Engineering	Directly Attributable - Total Utility Plant Assets Ratio
Electric Reliability/Analysis	Directly Attributable - Total Utility Plant Assets Ratio
Forestry	Directly Attributable - Total Utility Plant Assets Ratio
Network Trouble and Dispatch	Directly Attributable - Number of Customers Ratio
Substation Construction and Maintenance	Directly Attributable - Total Utility Plant Assets Ratio
Energy Marketing	Directly Attributable - Generation Ratio
Fuel Procurement	Directly Attributable - Contract Ratio
Generation Planning and Analysis	Directly Attributable - Generation Ratio
Load Forecasting	Directly Attributable - Generation Ratio
Market Forecasting	Directly Attributable - Generation Ratio
Environmental Affairs	Directly Attributable - Generation Ratio
Building Operations	Directly Attributable - Facilities Ratio, Transmission Ratio, Generation Ratio
Document Services	Directly Attributable - Number of Employees Ratio
Facilities Management	Directly Attributable - Number of Employees Ratio
Production Mail	Directly Attributable - Number of Customers Ratio
Real Estate and Right-of-Way	Directly Attributable - Number of Customers Ratio
Generation	Directly Attributable - Total Utility Plant Assets Ratio, Generation Ratio
Generation Services	Directly Attributable - Total Utility Plant Assets Ratio, Generation Ratio
Project Engineering	Directly Attributable - Generation Ratio
System Laboratory	Directly Attributable - Total Utility Plant Assets Ratio
State Regulation and Rates	Directly Attributable - Number of Customers Ratio
Safety and Technical Training	Directly Attributable - Number of Employees Ratio, Generation Ratio, Total Utility Plant Assets Ratio, Transmission Ratio
Operations and Construction	Directly Attributable - Transmission Ratio, Total Utility Plant Assets Ratio
Reliability and Compliance	Directly Attributable - Transmission Ratio
Strategy, Reliability and Tariffs	Directly Attributable - Transmission Ratio
Transportation	Directly Attributable - Total Utility Plant Assets Ratio, Vehicle Cost Allocation Ratio

The assignment methods used by LKS and PPL Services are as follows:

**Book Enterprise Value Ratio** – This ratio is calculated based on book enterprise value. The ratio is calculated on an annual basis.

**Contract Ratio** – This ratio is based on the sum of the physical amount (i.e., tons of coal, mmbtu of natural gas) of the contract for coal and natural gas fuel burned for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Departmental Charge Ratio**

Departmental Charge Ratio

– A specific department ratio based upon various factors. The departmental charge ratio typically applies to directly attributable costs such as departmental administrative, support, or material and supply costs, or a combination thereof, that benefit more than one affiliate and that require allocation using general measures of cost causation. Methods for assignment are department-specific depending on the type of service performed and are documented and monitored by the Budget Analysts for each department. The numerator and denominator vary by department. The ratio is based upon various factors such as labor hours, labor dollars, departmental or entity headcount, capital expenditures, operations and maintenance costs, retail energy sales, charitable contributions, generating plant sites, average allocation of direct reports, net book value of utility plant, total line of business assets, electric capital expenditures, substation assets and transformer assets. The Departmental Charge Ratio may only be used with the prior approval by the Vice President, Finance and Accounting and where other applicable ratios would not result in the fair assignment of costs. These ratios are calculated on an annual basis.

**Facilities Ratio** – This ratio is based on a two-tiered approach with one tier based on the number of employees by department or line of business and the other tier based on the applicable department or line of business ratio. The numerator for the number of employees is the number of employees by department or line of business at the facility and the denominator is the total employees at the facility. The numerator and denominator for the applicable

department or line of business for the service provided as described in this document.

**Generation Ratio** – This ratio is based on the annual forecast of megawatt hours, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Insurance Policies Ratio** – This ratio is based upon a composite percentage of individual insurance policies. This ratio is calculated on an annual basis.

**Number of Controls Ratio** – This ratio is based on the number of SOX controls. The ratio is calculated on an annual basis.

**Number of Customers Ratio** – This ratio is based on the number of retail electric and/or gas customers at year-end for the preceding year. This ratio is updated on an annual basis.

**Number of Employees Ratio** – This ratio is based on the number of employees benefiting from the performance of a service. The LKS portion will be allocated to other affiliates by the ratio of LKS labor hours charged to total LKS labor hours. This ratio is calculated on an annual basis.

**Number of Items Processed Ratio** – This ratio is based on the number of items processed. This ratio is updated on a monthly basis, based upon actual usage.

**Number of Meters Ratio** – Based on number of meters for each affiliate. This ratio is calculated on an annual basis.

**Number of Network Users Ratio** – This ratio is based upon the number of total IT network users at year-end for the preceding year. The LKS portion will be allocated to other affiliates by the ratio of LKS labor hours charged to total LKS labor hours. This ratio is updated on an annual basis.

**Number of Operating Segments Ratio** – This ratio is based on the number of applicable operating segments covered by PPL. For services provided by LKS, the operating segments are limited to LG&E and KU. This ratio is calculated on an annual basis.

**Number of Plan Participants Ratio** – This ratio is based upon the number of participants in the pension plan. This ratio is updated semi-annually.

**Ownership Percentages** – This ratio is based on the contractual ownership percentages of jointly-owned generating units, information technology, facilities and other capital projects. This ratio is updated as a result of a new jointly-owned capital projects and is based on the benefit to the respective company. The numerator is the specific company's forecasted usage. The denominator is the total forecasted usage of all respective companies.

**Plan Assets Ratio** – This ratio is based upon the split of plan assets in the pension. This ratio is updated semi-annually.

**Rate Base Ratio** – This ratio is based upon applicable rate base per entity at year-end for the preceding year. This ratio is updated on an annual basis.

**Revenue Ratio** – This ratio is based on the sum of the revenue for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Statement of Values Ratio** – This ratio is based on the insured value of property for each affiliate. This ratio is updated on an annual basis.

**Total Assets Ratio** – This ratio is based upon the total assets at year-end for the preceding year. This ratio is updated on an annual basis.

**Total Spend Ratio** – This ratio is based upon total O&M and capital spend per entity at year-end for the preceding year. This ratio is updated on an annual basis.

**Total Utility Plant Assets Ratio** – This ratio is based on the total utility plant assets at year-end for the preceding year, the numerator of which is for an operating company and the denominator of which is for all operating companies. In the event of joint ownership of a specific asset, ownership percentages are utilized to assign costs. This ratio is calculated on an annual basis.

**Transmission Ratio** – The Transmission Coordination Agreement (“TCA”) provides “the contractual basis for the coordinated planning, operation, and maintenance of the combined” LG&E and KU transmission system. Pursuant to the terms of the TCA, LG&E/KU “operate their transmission systems as a single control area.” The TCA establishes cost and revenue allocations between LG&E and KU. The Transmission Ratio is based upon Schedule A (Allocation of Operating Expenses of the Transmission System Operator) of the TCA. Transmission System Operator Company allocation percentages are calculated during June of each year to be effective July 1st of each year using the previous year's summation of the Transmission Peak Demands as found in FERC Form 1 for KU and LG&E, page 400, line 17(b).

**Vehicle Cost Allocation Ratio** – Based on the costs associated with providing and operating transportation fleet for all affiliated companies including developing fleet policy, administering regulatory compliance programs, managing repair and maintenance of vehicles and procuring vehicles. Such rates are applied based on the specific equipment employment and the measured usage of services by the various company entities. This ratio is calculated monthly based on the actual transportation charges from the previous month. The numerator is the department labor charged to a specific company. The denominator is the total labor costs for the specific department. The ratio is then multiplied by the total transportation costs to determine the amount charged to each company.

#### **Indirect Cost Allocation Methodology and Procedures**

PPL and its affiliates use a three-factor methodology to allocate indirect costs. Affiliates acquired by PPL and operating in other jurisdictions had, prior to their acquisition by PPL, used similar three-factor methodologies for allocating indirect costs though the factors differed slightly. In order to ensure consistency of cost allocation across affiliates and avoid subsidization of any affiliate, it is important that all affiliates use the same three-factor methodology to allocate indirect costs. PPL and its affiliates have chosen the methodology that provides the most relevant proxy of cost causation because, unlike directly attributable costs, a single primary cost driver could not be identified for such indirect costs.

In Pennsylvania, in May 2002, the Pennsylvania Public Utility Commission (“PaPUC”) issued its Focused Management and Operations Audit Report on PPL Electric and PPL Gas Utilities Corporation's utility subsidiaries. In its audit, the PaPUC recommended that support costs be allocated using a three-factor methodology. The PaPUC recommended that the three-factor methodology should contain an employee or payroll factor, an asset or investment

factor, and an operation and maintenance expense factor. Effective January 2003, PPL accepted the PaPUC's recommended three-factor method.

The three-factor allocation methodology results in a reasonable allocation of indirect costs to all subsidiaries of PPL. Because these subsidiaries are involved in several businesses, they may have disproportionate amounts of invested capital, operation and maintenance expenses and employees, when compared to other PPL subsidiaries. Through the three-factor allocation methodology, all subsidiaries that comprise a material proportion of PPL, as measured by either invested capital, operation and maintenance expenses, or employees, will receive an equitable proportion of the indirect cost allocation.

#### CALCULATION OF THE MULTI – FACTOR INDIRECT COST ALLOCATION

1. The first factor calculates each subsidiary's proportion of invested capital relative to its affiliates. For this calculation, invested capital includes all of the following components of invested capital for subsidiaries (Short Term Debt, Long Term Debt Due in One Year, Long Term Debt, Minority Interest, Company Obligated Preferred Stock, Preferred Stock, and Common Equity) that are added together and allocated by each subsidiary's relative Invested Capital as compared to its affiliates.
2. The second and third factors calculate each subsidiary's proportion of operation and maintenance expenses and number of employees relative to its affiliates. For these factors, the methodology generally is the same as for Invested Capital. Each subsidiary's data is summed and allocated by each subsidiary's relative operation and maintenance and employee data as compared to its affiliates.
3. PPL determined that each of the three factors was equal in importance and, therefore, the sum of the three was divided by three to obtain the average multi-factor allocation % for each subsidiary. For simplicity, and to reduce immaterial allocations, subsidiaries with a multi-factor average allocation rate of less than 1% are identified and do not receive an allocation from PPL Services.

#### EXCLUDING THE ALLOCATION OF CERTAIN INDIRECT COSTS TO AFFILIATES THAT DO NOT BENEFIT FROM THOSE COSTS

Each year, Support Groups analyze their indirect costs to determine which PPL subsidiaries do not receive a significant portion of their services. If these services and related costs are significant, the Support Groups isolate them from other indirect costs to ensure that the PPL subsidiaries that do not receive a benefit from the costs are not allocated costs applicable to those services. Support Groups identify either specific costs to be excluded or an appropriate % of services that should be excluded based on the operation and the expenses incurred.

**Schedule of Professional Employees Transferred from LG&E or KU to Non-Utility Affiliates in 2023**

<b>Name</b>	<b>Old Company</b>	<b>New Company</b>	<b>New Job Title</b>	<b>Old Job Title</b>	<b>Eff Date</b>	<b>Sal Plan</b>	<b>Union Code</b>
Aghil,Abdulrahman	Kentucky Utilities	LG&E and KU Services Company	Business Services Spec II	Area Retail Operations Mgr	5/1/2023	EX	
Berry,Charles Valgene	Kentucky Utilities	LG&E and KU Services Company	Training Consultant-Interm	Line Technician A	7/10/2023	EX	
Boardman,Daniella Marie	Louisville Gas & Electric Co	LG&E and KU Services Company	Emergency Prepared Planner II	Records Coor B - Elec Dist Ops	11/27/2023	EX	
Breeding,Patrick J	Louisville Gas & Electric Co	LG&E and KU Services Company	Generation Dispatcher II	Ops & Maint Tech A (CT)	4/3/2023	EX	
Christiansen,Danielle	Louisville Gas & Electric Co	LG&E and KU Services Company	Generation Dispatcher I	Turbine Operator-Mechanic	11/13/2023	EX	
Clardy,Brandon	Kentucky Utilities	LG&E and KU Services Company	Energy Efficiency Program Mgr	Area Retail Operations Mgr	3/6/2023	EX	
Clark,Angela	Kentucky Utilities	LG&E and KU Services Company	Lead Customer Solutions Rep	Sr Customer Representative	11/27/2023	NE	
Colvin,Tammy McComb	Kentucky Utilities	LG&E and KU Services Company	AMI Deployment Ops Specialist	Lead Customer Representative	9/18/2023	EX	
Crook,Dustin	Kentucky Utilities	LG&E and KU Services Company	Protection Systems Technician	Eng Design Tech Inter-Dist Ops	2/6/2023	NE	
Dycus,William	Louisville Gas & Electric Co	LG&E and KU Services Company	Safety Specialist II	Safety Specialist II	4/3/2023	EX	
Faulkner,Reeda Kay	Kentucky Utilities	LG&E and KU Services Company	Business Center Rep II	Customer Representative II	4/3/2023	NE	
Fraleigh,Charity Blue	Kentucky Utilities	LG&E and KU Services Company	Sr Business Center Rep	Sr Customer Representative	6/26/2023	NE	
Goodner,Thomas Patrick	Louisville Gas & Electric Co	LG&E and KU Services Company	Sr Const & Mntc Coord	Team Ldr Subst Constr & Main	1/9/2023	EX	
Guth,Dexter Hendrick	Kentucky Utilities	LG&E and KU Services Company	Craft-Worker Intern I	Craft-Worker Intern I	5/1/2023	99	
Halliday,Vicki Lynn	Kentucky Utilities	LG&E and KU Services Company	AMI Deployment Ops Specialist	Lead Customer Representative	9/18/2023	EX	
Harbaugh,Robert John	Louisville Gas & Electric Co	LG&E and KU Services Company	Acting Team Ldr Meter Reading	Meter Contract Coordinator	8/21/2023	EX	
Hellyer,Hayley Estelle	Kentucky Utilities	LG&E and KU Services Company	Mgr Gen PE & Safety Budgeting	Sr Budget Analyst	1/23/2023	MG	
Jackson,Jason A	Kentucky Utilities	LG&E and KU Services Company	Training Consultant-Interm	Substation Supervisor A	12/25/2023	EX	
Jones,Khreonna D	Kentucky Utilities	LG&E and KU Services Company	Sr Remittance Associate	Lead Customer Representative	5/1/2023	NE	
Kersey,Justin Lee	Kentucky Utilities	LG&E and KU Services Company	Safety Specialist II	Safety Specialist II	4/3/2023	EX	
Kremer,Christopher	Louisville Gas & Electric Co	LG&E and KU Services Company	Safety Specialist II	Safety Specialist II	4/3/2023	EX	
McIntire,Michael S	Louisville Gas & Electric Co	LG&E and KU Services Company	Civil Engineer II	Civil Engineer II	7/10/2023	EX	
McVey,Christopher M	Louisville Gas & Electric Co	LG&E and KU Services Company	Sr Safety Specialist	Sr Safety Specialist	5/1/2023	EX	
Moore,Leeann	Louisville Gas & Electric Co	LG&E and KU Services Company	Mgr Distrib Subst Eng C&M	Supervisor - Production	2/20/2023	MG	
Neal,James D	Louisville Gas & Electric Co	LG&E and KU Services Company	Electric System Coordinator I	Electrical Operator A	10/16/2023	EX	
Palaganas,Cris Angela	Kentucky Utilities	LG&E and KU Services Company	Business Center Rep II	Customer Representative II	10/16/2023	NE	
Patterson,Sherril L	Kentucky Utilities	LG&E and KU Services Company	Sr Customer Solutions Rep	Sr Customer Representative	5/29/2023	NE	
Plummer,David J	Kentucky Utilities	LG&E and KU Services Company	Acting Grp Ldr - Electric Mete	Team Ldr - Meter Assets	2/20/2023	EX	
Rich,Presley	Kentucky Utilities	LG&E and KU Services Company	Business Center Rep II	Customer Representative II	3/6/2023	NE	
Smith,Lauren Rochelle	Kentucky Utilities	LG&E and KU Services Company	Customer Solutions Rep I	Customer Representative I	7/10/2023	NE	
Stewart,Adam Patrick	Louisville Gas & Electric Co	LG&E and KU Services Company	Sr Safety Specialist	Sr Safety Specialist	4/3/2023	EX	
Summers,Kirstie Fanshell	Louisville Gas & Electric Co	LG&E and KU Services Company	Service Dispatcher II	Sr Customer Representative	3/6/2023	NE	
Vinegar,Denisha Lenise	Kentucky Utilities	LG&E and KU Services Company	Lead Customer Solutions Rep	Customer Representative II	9/18/2023	NE	
Warren,Allison M	Kentucky Utilities	LG&E and KU Services Company	Sr Cust Relations Specialist	Acting Area Retail Ops Manager	9/18/2023	NE	
Wise,Jacob Allen	Kentucky Utilities	LG&E and KU Services Company	Safety Specialist I	Safety Specialist I	4/3/2023	EX	
Wittmer,Katrina Boone	Louisville Gas & Electric Co	LG&E and KU Services Company	Power Supply Analyst II	Mechanical Engineer II	11/13/2023	EX	
Yates,Tonya Michelle	Kentucky Utilities	LG&E and KU Services Company	Customer Solutions Rep I	Customer Representative I	10/2/2023	NE	



## **COSTS OF JOINTLY OWNED SOLAR FACILITY**

In 2016, LG&E and KU completed the construction of a solar facility at the EW Brown site owned by KU. This unit has an 8 MW net summer capacity and is jointly owned by LG&E (39%) and KU (61%). Capital costs of Brown Solar are allocated according to the 39% LG&E and 61% KU ownership split.

Automated allocations of costs using the Brown Solar ownership percentages are processed in the Oracle General Ledger system and generate intercompany transactions between LG&E and KU. Operation and maintenance costs are accumulated at KU and transferred to LG&E. At KU an intercompany receivable is debited and the appropriate expense is credited. LG&E debits the appropriate expense account and credits an intercompany receivable. The amounts are then netted with other intercompany transactions between LG&E and KU to establish an intercompany receivable for KU or LG&E and an intercompany payable for LG&E or KU.

In July 2019, the first of eight 500 kw sections of the Solar Share facility in Simpsonville, KY became operational, and in May 2020, a second 500 kw section was added. Two more 500 kw sections were added in June 2021 and another 500kw section in July 2022. The Solar Share program allows Kentucky customers to pay a fee to subscribe to shares of each section of the solar array in 250-watt increments and receive energy credits for the solar energy produced. The land and the assets are jointly owned and operated by LG&E and KU. The ownership percentage of the land and of the arrays is 56% KU and 44% LG&E, based on the average number of each utility's Kentucky retail electric customers at the time of the land purchase. Operating costs are allocated based on the ownership percentage.

## **CENTRALIZATION OF SHARED SERVICES**

Throughout 2022, certain shared services functions in LKS were transferred to PPLS to achieve enterprise-level efficiencies. Functions transferred during 2022 include Audit Services, Commercial Operations, Compensation, Compliance, Corporate Finance, Corporate Security, Corporate Tax, Credit/Contract Administration, Federal Policy, Financial Reporting, Human Resources, IT Budgeting, Legal, Research & Development, Sarbanes-Oxley Compliance and Supply Chain. In addition, certain IT personnel transferred as well. During 2023, most of the remaining IT personnel were transferred, as well as additional personnel in Human Resources and IT Budgeting. Additional transfers will take place in 2024. Following the transfers, the costs of these functions are being billed by PPL Services Corporation to LKS.